

# CURRENT HISTORY

SEPTEMBER 1931

---

## Causes of the German Financial Crisis

---

By SIDNEY B. FAY

*Professor of History, Harvard University and Radcliffe College*

---

**D**URING the past Summer the German Republic passed through the worst financial storm in its history, with the possible exception of the inflation period of 1923. What were the antecedent causes of this crisis? What steps did the government take to weather it? And what are likely to be the possible consequences for the future? Though the causes are many and complex, as is always the case in questions of international and domestic finance, they may be conveniently summarized under five heads:

1. *Exhaustion of German capital, and economic and social dislocation resulting from the World War.* In 1914 Germany possessed about 3,000,000,000 marks (\$715,000,000). Two-thirds of this was in circulation as gold coins, along with 4,000,000,000 of paper marks and fractional token money; and one-third was held in the

Reichsbank as coverage. When the war broke out all the gold in circulation was quickly brought into the bank in return for paper marks and later for government bonds. But the Reichsbank lost part of this gold in purchasing supplies for Germany during the war. Germany also possessed in 1914 extensive investments abroad and large sums owing to her in goods which had been sold abroad on credit. But her investments were mostly confiscated and her credits impossible to collect. Altogether Germany lost abroad during the war some \$3,000,000,000 of capital.

Much more serious were the losses of capital within Germany. Her entire productive industry had been converted to war purposes. The entire proceeds of German labor during four years and a half were literally consumed in powder and smoke. Not only were her entire reserves of for-



eign raw materials exhausted, but, in addition, her whole supply of metal was almost entirely disposed of. Copper vessels were taken from the kitchens, church bells were melted down, copper was torn from the roofs of buildings, with a loss out of all proportion to the value of the resulting metal. The extravagant use of coal and other resources, and the pressure on the railways, with a frightful deterioration of the rolling stock, caused a further untold loss of capital wealth. Industries which had been built up to serve wartime purposes were largely useless for peacetime production after the war. What Germany lost in domestic capital during the war can hardly be estimated.

After the war the treaty of Versailles drained from Germany a large part of what mobile capital she had left, in the shape of cash, shipping, rolling stock, live stock and other payments in kind, a total amount by May, 1921, reckoned by the Germans at \$13,000,000,000, by the Reparations Commission at \$2,000,000,000 and by an American financial expert, Mr. Moulton, perhaps fairly accurate, at \$6,000,000,000. In addition, Germany lost her colonies and the ceded territories in Europe.

The losses of all this capital during and after the war made it desperately difficult for Germany to reorganize her economic life, to build up new capital at home and to buy the much-needed raw materials from abroad. To be sure, the difficulty was somewhat concealed for five years by the inflation. But in 1924, with the collapse of the mark, the stabilization of a new currency and the introduction of the Dawes Plan, Germany realized the need of new capital and began to borrow abroad, which she had hitherto been prevented by her late enemies from doing. So far as this money was spent in purchasing raw materials and in productive enterprises, this policy was wise and justified; it benefited Germany by enabling her to begin her economic recovery; and she made a

remarkable economic recovery in the five years under the Dawes Plan from 1924 to 1929. But so far as it was spent for unproductive purposes, such as reparations and social welfare public improvements like baths, parks and stadiums, it led to financial disaster, as will be seen below. Moreover, the money was borrowed at very high rates of interest—at from 7 to 11 per cent—when one takes into consideration the bankers' commissions and the prices at which the loans were issued.

2. *Reparation Payments.* After the amount of reparations which Germany was to pay had been argued in astronomical figures at the Paris Peace Conference, no fixed sum was finally agreed upon. The sum would be named to her later—one of the many unwise provisions of the treaty. So in signing the treaty Germany was virtually forced to sign a blank check. In May, 1921, the sum was at last fixed at 132,000,000,000 marks (\$32,000,000,000), not including interest. Germany protested emphatically that the sum was far beyond her capacity to pay, but she was forced to agree to try. As she could not pay even the whole interest at once, quite aside from being unable to pay anything on the principal, the allied creditors said she must begin to pay as a minimum part of the interest at least 2,000,000,000 marks annually. As she was unable to meet even this demand quite in full, the French occupied the Ruhr in January, 1923. This precipitated the decline of the mark and so disorganized German economic life that even less reparations could be extracted than before. It made the financial and political situation so bad that the Dawes committee had to step in with a common-sense business man's attitude, which for the first time took seriously into consideration Germany's capacity to pay.

The Dawes Plan, realizing that Germany could make increased payments only gradually, provided for a rising scale of annual payments, beginning



with 1,000,000,000 marks (\$238,000,000), in 1924-25, and increasing gradually to 2,500,000,000 (\$594,000,000) in 1928-29; thereafter it was to be 2,500,000,000 marks, plus an extra amount to be determined by Germany's further economic recovery as registered by a complicated "index of prosperity." The total of the fixed annual payments for these five years from 1924 to 1929 amounted to 7,970,000,000 marks (\$1,904,000,000) and was promptly paid. But every cent of it was virtually paid out of money borrowed abroad, and in 1929 this borrowing abroad began to dry up. Foreigners began to doubt whether Germany would be able to pay both reparations and the interest on the borrowed money. Germans themselves began to realize, as Dr. Schacht had already long been urging, that it was folly to pay reparations by borrowing, because it increased dangerously the burden of German debt and transferred Germany's debt into the hands of foreign private individuals instead of foreign creditor governments; to default on the payment of interest to these private individuals would injure Germany's credit far more than to default on the payment of reparations (which she was temporarily entitled to do under certain conditions according to the Dawes Plan). Moreover, stock market speculation in New York by its high rates attracted money which might otherwise have been lent to Germany. For these and various other reasons Germany borrowed relatively very little in 1929 and thereafter.

The cessation of the inflow of borrowed money was one of the reasons which led to the revision of the Dawes Plan. Under the Young Plan, which was substituted for it, Germany was to make smaller annual payments; 1,707,000,000 marks (\$400,000,000) in 1930 gradually increasing to 2,428,000,000 (\$570,000,000) in 1966. But even this sum could not be paid unless there were forthcoming further loans or unless Germany developed a great

excess of exports over imports equal in amount to reparations plus the interest due on the money already borrowed. But this was highly unlikely. For many years before the war Germany had regularly had an unfavorable balance of trade, that is, an excess of imports over exports. After the war her efforts to build up exports were hampered by war prejudice against her, and still more by the greatly increased number and height of the tariff barriers which she found everywhere blocking her goods. In the five years under the Dawes Plan, according to the corrected figures of the *Statistisches Jahrbuch* for 1930, she had an unfavorable balance of trade in every year except one, not including deliveries in kind on the reparations account, amounting altogether to 8,685,000,000 marks (\$2,068,000,000):

German trade balance, in millions of marks:

	Imports.	Exports.	Balance.
1925 .....	11,744	8,931	-2,813
1926 .....	9,701	9,930	+ 229
1927 .....	13,801	10,375	-3,426
1928 .....	13,649	11,757	-1,229
1929 .....	13,446	12,663	- 783
1925-29 Total unfavorable balance			-8,685
1930 .....	10,393	12,035	+1,642

To be sure, in 1930 Germany showed a very gratifying excess of exports over imports (and the same tendency continued during the first six months of 1931); but this favorable balance was not caused by an increase of exports (which actually declined), but by a great decrease in imports, owing to the fact that her lack of new foreign credits limited her buying of raw materials and the raw materials cost less with the low prices of the world depression. It is probable that 1930 was a somewhat exceptional year and that it is unlikely that Germany will continue to have large favorable trade balances. Even if the 1930 balance should recur it might almost pay either the Young Plan or the interest on the money borrowed abroad, but it could not possibly pay both.

It is now generally recognized, as



has long been an A. B. C. to experts and economists, that in the long run the only way in which Germany can pay reparations (aside from the "invisible items" in the trade balance like money spent by tourists, shipping earnings and interest on investments outside Germany) is by building up an equivalent excess of exports over imports. This truth may be concealed for a while, as the Dawes report rightly points out, by the practice of German borrowing, but that practice will not and cannot continue indefinitely. Thus reparations caused part of the heavy borrowing during the operation of the Dawes Plan, but the borrowing has now largely dried up, and Germany is unlikely to develop a balance of trade which will allow her to pay both reparations and interest to private individuals. Naturally she prefers to pay the latter, as on that depends her commercial credit in the future.

3. *Excessive public expenditures and recurring budget deficits.* In the first year of the Dawes Plan, with heavy taxes and with the money from the Dawes loan, the Federal Government enjoyed a good surplus. Encouraged thereby, it assigned too great a share of the taxes to the Federal States. The latter and the municipalities thereupon undertook costly enterprises, often of an unproductive nature, and demanded in the following years a similar large share of the national taxes for continuing their enterprises. And their demands were largely granted. This was one of the things which caused an excess of expenditure over income in the budget of the next year, 1925-26. Another thing was the reparation obligation, part of which had to be met out of the national budget. Still another was the fact that there were too many government employes, causing an excessive public payroll. But one of the greatest causes was the expensive system of social insurance. Germany had been a pioneer in the late nineteenth century in establishing social insurance

for the wage earner, covering insurance against sickness, invalidity, old age and accident. To this was added, after the war, insurance against unemployment, the cost of which has grown by leaps and bounds in recent years.

At first the budget deficits were somewhat concealed by the practice of having in addition to the ordinary budget an extraordinary budget, the latter being for expenditures and income from productive enterprises which could not be expected immediately to show a profit. But the deficits increased and were carried over from year to year, until by 1930 they began to cause alarm and had drawn a warning from Parker Gilbert, the Agent General for Reparations. They caused the downfall of the Mueller Cabinet, which was succeeded on March 30, 1930, by the Bruening Government. To meet the deficits the government had borrowed money both at home and abroad; but when the foreign borrowing dried up or became very difficult and was opposed by the Reichsbank, the government began to have difficulty in meeting its bills. The Bruening Cabinet made some heroic efforts to cut down expenditures and to increase taxes. But with the world-wide depression, from which Germany suffered even more than other countries, the taxes failed to come up to the budget estimates. The budget of March 31, 1931, closed with a deficit of 1,250,000,000 marks (\$297,000,000), or a little over 13 per cent of total expenditures.

4. *Borrowing abroad.* As a result of these three preceding causes—the need for replacing capital lost during and after the war, the paying of reparations under the Dawes and Young Plans, and the financing of excessive public expenditures and budget deficits—large sums had been borrowed abroad, chiefly in the years 1924-29, not only by the Federal Government but also by the States and municipalities, and also by banks and other private companies. Unfortunately, owing



to a lack of confidence in Germany, and to other reasons, money was borrowed at very high rates of interest, as noted above. Still more unfortunately, more was borrowed on short-term credits than on long-term loans. Some of these short-term credits were for a period of as much as two years, but a great part of them were for thirty or ninety days and could therefore be recalled quickly if the foreign lenders became nervous or wanted to exert political pressure on the German Government. If such recalls continue in large amounts for several weeks, as happened in the late Spring and early Summer of this year, they exhaust the gold reserves and imperil the financial and economic structure of a country that like Germany has been obliged to reconstruct herself largely on credits.

It is estimated that in September, 1930, before the recalls of credit caused by the results of the Reichstag election at that time, Germany's aggregate foreign indebtedness was about 26,000,000,000 marks (\$6,143,000,000), as follows, the figures being in millions:

	Marks.	
Short-term loans .....	10,800	\$2,570
Long-term loans .....	9,300	2,213
Foreign capital invested in German business .....	4,000	952
Foreign capital invested in German real estate .....	2,000	476
Total .....	26,100	\$6,143

To offset this there were perhaps 9,000,000,000 marks (\$2,143,000,000), making a net total indebtedness, not including reparations, of \$17,100,000,000 marks (\$4,000,000,000).

5. *Panicky fears as to Germany's political stability and financial solvency.* The introduction of the "sanctions clause" into the Young Plan at the second Hague Conference in January, 1930, caused fear in Germany and abroad that, if events occurred in Germany which imperiled the payment of the reparations annuities, France might again use military force against her. The introduction of this clause, vigorously opposed by Dr.

Schacht, was one of the main reasons for his resignation as president of the Reichsbank, which he had managed wisely and conservatively since 1923.

A second shock to confidence in Germany was caused by the Reichstag election of September, 1930, which resulted in a great increase in the two extremist parties opposed to the existence of the present German Republic, the Hitlerites and the Communists. This led to further withdrawals of short-term credits.

In the Spring of 1931 the sudden proposal of the idea of an Austro-German customs union greatly alarmed France and her satellites, and probably led to a withdrawal of French credits both from Germany and from Austria as a political pressure to compel the abandonment of the proposal. It was a political weapon which France had used during the Agadir crisis of 1911 and during the Young Plan Conference in the Spring of 1929. The failure of the largest Austrian private bank later led to the fear that the same thing might happen to German banks.

Finally, in May, panicky fears were greatly increased by the rumors that Chancellor Bruening would be compelled to declare a moratorium on the postponable part of the Young Plan annuities, by the knowledge of his budget difficulties, the great number of unemployed and the falling off of tax receipts. These fears were augmented by his visit to Prime Minister MacDonald at Chequers early in June, when he set forth Germany's financial plight and hoped to arrange for another large loan which would tide his government over. But he returned empty-handed. Two leading German private bankers, followed by Dr. Luther, the president of the Reichsbank, who visited Paris in the hope of securing a large loan, had no better success; the French insisted as a condition on the abandonment of the proposed Austro-German customs union and on other political guarantees which the bankers had no au-



thority to make, and which would have certainly increased the power of the Hitlerites by whose activities the French seemed to be so much alarmed.

All these panicky fears caused during June and the first half of July enormous recalls of foreign credits, which in turn depleted in alarming fashion the gold reserve of the Reichsbank. Within six weeks the Reichsbank lost 1,000,000,000 marks (\$238,000,000), which brought the reserve coverage down to the legal minimum of 40 per cent, and eventually even below it, and caused Germans themselves to fear the horrors of a new inflation period like that of 1923. They began to withdraw their money from the banks, either to hoard it or to transfer it for safety abroad. This run on the banks, together with the withdrawals of foreign credits and the failure of several large industrial firms, finally caused the Darmstaedter and National Bank (Danat Bank), the third largest bank in Germany, to close its doors on July 13.

What measures were taken to relieve this financial and economic crisis? Since it had been impossible to secure a loan for Germany at Chequers or at Paris, the Reichsbank on June 13 raised its discount rate from 5 to 7 per cent. A measure of this kind usually tends to check the outflow of gold from a country. Perhaps if the step had been taken earlier it might have succeeded. But in this case it only increased the panicky fears and accelerated the withdrawals of credits and the consequent outflow of gold. On June 15 an extension of a \$100,000,000 credit granted a month before by the World Bank at Basle, with the cooperation of the central banks of New York, London and Paris, failed to help the situation much.

On June 20, however, President Hoover's proposal for a year's moratorium on reparations and inter-allied debts seemed for a moment to have brought relief, as it would free

Germany from making a payment during the year following July, 1931, of about \$400,000,000. If it had been adopted at once this also might have allayed fears and ended the crisis. But the French, who would have lost about \$96,000,000 and who feared that full payments would not begin again at the end of the moratorium, interposed objections and again demanded political conditions and guarantees.

Finally, late in June and in July, the Bruening Cabinet began to adopt drastic measures to restrict withdrawals of credit and gold. The stock exchanges were closed. Banks were ordered to pay out only 10 per cent of moneys demanded, except demands for payrolls and wages. The charge for passports was raised to \$25 to prevent Germans taking money abroad. Germans who had money invested abroad to the extent of more than 5,000 marks (\$1,190) were ordered to inform the government, so that these foreign credits might be used to offset the withdrawals of credit from Germany. The discount rate of the Reichsbank was raised further from 7 to 10 per cent, and the coverage requirement for paper money was lowered below the previous minimum of 40 per cent.

These measures, together with the final adoption of President Hoover's moratorium, with certain modifications, began to bring relief and to restore confidence. The establishment of a new Acceptance and Guaranty Bank under the presidency of Bernhard Dernberg, former Minister of Finance, on July 28, was expected to ease credit and assist the other larger banks. The visits of Mr. Stimson and Mr. Ramsay MacDonald to Berlin, and the intimation of British and American bankers that they would not withdraw further short-term credits for the present, helped to restore general confidence and prevent the outflow of gold.

Again, as in political crises of the past, Chancellor Bruening showed himself a man of iron nerves. Dur-



ing the height of the crisis he consented to go to Paris to try to secure a friendly understanding with France, but he did not consent to the abandonment of the proposed Austro-Germans customs union or to the other political conditions which France would have liked to extort, but which would have tied his hands for the future and weakened him politically at home. He failed to get a large loan, which the French would have been glad to grant on their own terms; but this failure, though embarrassing temporarily in Germany's financial needs, will in reality prove a blessing in the long run, for it obviates an increased economic control by France in the future. It diminishes the danger of the economic Damocles sword and of another similar financial crisis in days to come.

And what of the future? Strange as it may seem, this midsummer financial madness may prove to be a blessing in disguise for Germany. It will indeed be a blessing if it has to any considerable degree any or all of the four following consequences:

1. If it teaches the German Government to reduce its expenditures, especially its unproductive and social welfare expenditures, thus enabling it to balance its budget and avoid future recurring deficits;

2. If Germany restricts her ruinous policy of contracting loans abroad, especially short-term loans, and lives more largely on domestic credit, difficult as this may be with the slow in-

crease of capital which is altogether inadequate for her industrial needs;

3. If, by avoiding future loans and by gradually paying off the present ones, she frees herself from the overhanging danger that foreign lenders may at any time recall their credits, whether through financial panicky fears or for the purpose of exerting political pressure on Germany; in other words, if she frees herself from the danger of another similar financial crisis in the future;

4. And, finally, if she convinces the leading nations who fought against her, as a majority of the British appear to be already convinced and as an increasing number of influential Americans are rapidly becoming convinced, as a result of the discussion of President Hoover's moratorium proposal—if she convinces an increasing number of great nations that the reparations payments as set forth in the Young Plan need further revision at the end of the moratorium ten months hence.

If these consequences result, and it seems likely that they will in good part, then Germany may be well content to have gone through the terrible financial storm of the past Summer. She can look back upon it as a violent illness which has purged the body politic and left it in the end stronger and healthier than before. [For further developments arising from the German situation see the articles by Mr. Gerould and Professor Fay in "A Month's World History," printed elsewhere in this magazine.]



# Philip Snowden: A Puritan Socialist

By WICKHAM STEED

Editor, *English Review of Reviews*

ASK any man in English public life what he thinks of Philip Snowden, and he will pause awhile. Ask him about Lloyd George, Stanley Baldwin, Ramsay MacDonald or Winston Churchill and he will be likely to answer in a prompt phrase, friendly or hostile according to personal bias. Yet, in character and temperament, Philip Snowden seems the most clear-cut of them all. Why, then, do men hesitate to define him?

It is, I think, because Snowden's blood runs hot beneath a cold exterior, because a "brain packed with ice" controls a heart of flame, and because friend and foe respect his honesty even when they wince under the lash of his acrid humor. Though he has been for a quarter of a century an outstanding figure, and has twice held the Chancellorship of the Exchequer, the writers of "thumb nail" sketches and of "pen portraits" fight shy of him. Only one biography of him exists in English;\* and one biographical essay in French.†

Few things are harder than to draw a good likeness in silver point on gray paper. For slapdash strokes and strong light and shade there is little scope. To portray features that hide, behind a mask of grim determination, a sensitiveness quick to suffer from and to resent unkindness; to lend physical charm to a cripple with an angular cast of mind that

scorns soft words and takes more delight in wounding than in healing, are tasks from which artists of the market-place instinctively shrink. Nor has full success been achieved by those who have tried to paint Snowden from the life. Something essential is missing from their work.

What is it? Last April I heard him make his third budget speech to a House of Commons which knew that the effort was almost beyond his physical powers. Most of its members were not of his own party. Yet they behaved like a family circle eager to welcome and to cheer a convalescent invalid whose sickness had threatened to deprive them of a beloved relative. The glad alacrity of Mr. Neville Chamberlain, the Conservative spokesman, in congratulating Mr. Snowden on his return to Parliament, came from the heart.

Of Philip Snowden, the man and the politician, Touchstone's line holds good: "Sweetest nut hath sourest rind." Mr. Snowden's method, complained Mr. Lloyd George last June, is to grant unavoidable concessions "as disagreeably as he possibly can, and there is no doubt about his capacity in that direction." Snowden had compelled the Lloyd George Liberals to swallow, with wry faces, nine-tenths of the "principles" they had sworn to uphold against his land valuation bill; and he took the same delight in "rubbing their noses in the mud" as he might have taken if the Labor Government were not beholden

\*Philip Snowden. *An Impartial Portrait*. By C. E. Bechhofer Roberts. London, 1930.

†Philip Snowden. *L'Homme et sa Politique Financière*. By Andre Andreades. (Felix Alcan).



to the Lloyd Georgians for its very life. Snowden and Lloyd George are, or were, old friends; but Snowden had got the measure of Lloyd George's tactics, and could not resist the temptation to let him know it.

Was he wise? Snowden is not a trimmer. In his eyes prudence and "forthrightness" are synonymous. His acidity corroded the last tenuous link between Mr. Lloyd George and the non-Lloyd Georgian Liberals who revolve round Sir John Simon. To that extent it made the government's tenure of office still more precarious. But Philip Snowden would not be Philip Snowden if he set a guard upon his tongue; and experience has taught him that, when a man is without a shadow of self-seeking or meanness, he can afford a biting gibe where other men dare not risk a dubious caress.

He comes from Yorkshire, the biggest county in England, where dwell shrewd, hard-headed, blunt and obstinate folk. When, at The Hague Reparations Conference of August, 1929, he became overnight a national hero by standing out against French attempts to take his supineness for granted, a humorous French artist drew a cartoon that showed an excited Frenchman exclaiming: "There is nothing for it but to occupy Yorkshire!" The epithets "grotesque and ridiculous" which Snowden, ignorant or careless of their peculiarly offensive tang in French, applied to the proposals of the French Finance Minister, came as naturally from Snowden's lips as did, at a later stage, the biblical terms of his ironic encouragement to the harassed Belgian Prime Minister who brought him, late at night, reduction after reduction in the French demands: "Be not weary in well-doing!" When weariness threatened, nevertheless, to overcome the unfortunate M. Jaspar, and the difference between Snowden's claims and French reductions had almost disappeared, Snowden wrote his final terms on a slip of paper and got them

accepted. He had known all along exactly how far he meant to go.

On the morrow all England, nay, Scotland too, was "Yorkshire," not so much because Snowden had gained substantial advantages in a wrangle about war debts and reparations which most Britons would have been glad to see wiped out, but because a British Minister had put down his foot and kept it there. At one moment there had been a suggestion that Ramsay MacDonald might pour some elixir of sweet reasonableness into the hard wine which his Chancellor of the Exchequer was decanting. It caused the country to growl ominously; and had the suggestion been acted upon, the growl would have become a savage roar. Mr. MacDonald heard the growl, and heeded it.

Even today this episode is worth analyzing, all the more because most Englishmen have forgotten exactly why they gave Snowden a national welcome on his return from The Hague. For years British public opinion had held—as it still holds—that the right way to deal with the remaining international liabilities of the war would be to obliterate them as quickly as possible. This conviction really inspired the famous (or, as Snowden called it, the "infamous") Balfour Note of August, 1922. The principle of the Balfour Note was that Great Britain would not require her war debtors (mainly Germany, France and Italy) to pay her more than she might have to pay the United States. Its "infamous" quality lay in its veiled discourtesy toward the United States, and in its abandonment of British freedom to take any further initiative in the matter of war debt reduction.

Once proclaimed, the "Balfour principle" was adhered to. On the strength of it Great Britain forgave nearly 58 per cent of the French, and 85 per cent of the Italian war debts, despite a reduction of only 18 per cent in her own debt to the United



States. She accepted, too, substantial reductions of her claims on Germany. But before the French and Italian debts were funded, the British Treasury had paid nearly \$1,000,000,000 to the United States, and it was thought equitable that, under the "Balfour principle," some provision should be made for the recovery of this sum. During the Young Plan Conference in Paris, the British experts had consented, without express official authority, to scale down British receipts from Germany in such a way as to render doubtful the maintenance of the "Balfour principle" in future, let alone the provision of any amount to set off against the \$1,000,000,000 already disbursed.

This had been done under the Conservative Government which suffered defeat at the general election of May, 1929. Mr. Snowden, on succeeding Mr. Winston Churchill at the Exchequer, declared that the Young Plan would have to be changed before he could accept it. France thought he was bluffing; and, at The Hague Conference, tried to "call his bluff." The "Young" experts had proposed to decrease the British share of "conditional" German reparations by \$12,000,000 a year. Snowden consented only to a reduction of \$2,000,000; and raised the British share of the "unconditional" German annuities from \$10,000,000 to \$24,000,000, besides arranging that Italy should buy annually 1,000,000 tons of British coal for three years instead of taking German reparations coal. As an example of grit his achievement stood high; and it was the grit rather than the gain that his countrymen applauded.

The grit comes from Yorkshire where Snowden was born on July 18, 1864, at Cowling in the West Riding, on the edge of the moors. The people of Cowling had, for generations, woven woolen cloth by hand, and had fought a grim and losing fight against the power looms which ended by turning them into mere "mill

hands." His father, John Snowden, a devout Wesleyan and a Left Wing Liberal, was a weaver, as his mother had been. Like her husband, she took her full part in the village life that centred round the Wesleyan Chapel and the Liberal Club.

Philip Snowden was a wiry youth with a ready tongue and a hunger for knowledge. Eschewing the mill, he became a pupil teacher at the local school, and afterward an insurance clerk. Then, passing an examination, he got employment as an excise official and was sent to many parts of England and Scotland on duty. His politics were those of his father. From the Liberal faith he might never have been weaned had not his back been injured in a cycling accident which left him helpless in bed for a year, and thereafter a cripple. While he was laid up his father died; and when, at length, he could move painfully about, he was asked to read a paper on "Socialism" to the Cowling Liberal Club. By way of preparing it he attended a Socialist lecture and studied Socialist literature. It was not long before he convinced himself that he, too, was a Socialist; though, in point of fact, the old Liberal leaven continued to work strongly in him and is working still. Like other British "Socialists" brought up in the Liberal tradition and nurtured in Liberal individualist philosophy, he has never felt quite at home in the collectivist creed or been able to assess the "values" of life by purely economic standards of judgment. The doctrines of the "class struggle" and the ideal of a "dictatorship of the proletariat" appeal to him but feebly. He remains an advanced Liberal in Socialist disguise; and such propagandist zeal as there may be in him is rather that of a mind impregnated with the atmosphere of the Wesleyan Chapel than that of a materialist fanatic who believes in Marxism as the whole truth and nothing but the truth.

Snowden knows enough of the pre-



carious lives of wage earners to dislike the arbitrary power of irresponsible capitalism, and to wish to curb it. Yet his dislike is not compounded of envy. More than once he has poured scorn upon Socialists who would have been Tories had they happened to be born rich. His aim is to draw clear conclusions from hard facts and to stick to the conclusions thus reached. Time after time he has defied wavering electors, and spurned the advice of friends who urged him to concede something to popular prejudice. His answer has always been: "These are my principles; take them or leave them."

Popularity is not lightly won in this way but, once won, it is accompanied by solid respect. Snowden won it in the teeth of difficulties such as few labor leaders have had to contend against. Not until 1906, after twelve years of intense effort, was he first elected to Parliament by the Lancashire city of Blackburn. Meanwhile he had tasted, again and again, the bitterness of defeat, and had learned that a man's worst foes are often to be found in his own party household. In the early years of the century the Labor members of Parliament, especially the nominees of trade unions, acted as allies of the Liberal party. Snowden set his face against this practice and forced the "Labor Representation Committee"—the parent of the present Labor party—into a position of permanent independence of Liberals and Conservatives alike. He overcame, moreover, the tendency of trade unions to exclude "intellectuals" from the Labor ranks, and he himself was acknowledged as a "brain" in the party.

In the House of Commons his ascendancy was soon established. The cultured tone and terse phrasing of his maiden speech marked him as something more than an equal among equals, while his physical handicap and ascetic mien won him sympathy. Year by year Snowden's hold on the House of Commons grew. He liked its

atmosphere, and its members liked him. They felt he was a man, not a "dead-head." On occasion he voted against his own party, and in 1911 resigned from its executive as a protest against a Parliamentary "deal" which Ramsay MacDonald had made with Lloyd George.

Differences more serious arose after the outbreak of the war. Most of the Labor members heartily supported the allied cause. Snowden disagreed with them. He was not pro-German. He was simply anti-war. He opposed conscription and criticized every measure for the more vigorous prosecution of the war. "The Honorable Member for Blackburn smiles!" exclaimed an opponent during a debate on the munitions act. Snowden retorted: "I don't smile; I sneer at you." Whereat Arthur Henderson, the present Foreign Secretary, joined the first War Coalition Cabinet. Snowden held on his way—and was rejected by his constituents at Blackburn in the "victory" election of December, 1918. "Not for 10,000 votes," he told them, "will I apologize for anything I have done or modify my attitude or sacrifice my principles in the slightest degree."

He paid the price. Four years passed before he could secure re-election. Never had his fortunes seemed to be at a lower ebb. He may well have doubted whether his public career were not finished. But he set his teeth and kept on keeping on. His reward came in November, 1922, when, after the overthrow of the Lloyd George Coalition Cabinet, he found himself one of the leaders of 140 Labor members who, for the first time, outnumbered the Liberals. Fourteen months later the defeat of the Baldwin Administration in the general election of December, 1922, placed Snowden in office as Chancellor of the Exchequer in the first Labor Government.

It was a minority government. The Labor members numbered only 191 in a House of 615. Though Snowden



disliked the idea that Labor should take office without a clear majority of its own, he recognized that it would be wrong to reject the opportunity, which Mr. Asquith's far-sighted decision offered the Labor party, to gain direct experience of public administration. Instead of attempting to frame a Socialist budget, he wisely took counsel of Mr. Asquith, a fellow-Yorkshireman, whom he visited night after night in quest of advice which the Liberal leader and former Chancellor of the Exchequer freely gave. As an exposition of sound finance Snowden's budget speech made a deep impression—nowhere deeper than in the City of London.

His reputation as a financial statesman was made. His critical analyses of the Conservative budgets from 1925 to 1929 were heard with deference. Well do I remember the epithet with which he greeted Mr. Churchill's last budget in April, 1929. Though Mr. Churchill had been guilty of an impudent piece of electioneering, he had presented it so humorously that the House rocked with laughter. He sat down amid a tumult of cheering. Then Snowden rose and in one phrase—"a briber's budget"—spoke the true mind of the House.

His own record as Chancellor since June, 1929, gives no clue to his future. Mr. Churchill's raids upon every hidden resource of the treasury had left Snowden no option but to increase taxation in 1930; and this year's budget has merely marked time in the hope that the financial depression may pass.

Given health, he may yet become the most effectively "dangerous" of Labor leaders, for he believes in the righteousness of redistributing wealth by mulcting the rich to help the poor. He overrode the scruples of Miss Margaret Bondfield, who holds the Ministry of Labor, by declining to retain in the Unemployment Insurance bill of 1929 the condition that recipients of the dole must prove that they are "genuinely seeking work." The

abolition of this safeguard has brought the Unemployment Insurance Fund within sight of bankruptcy. And, this year, in his Land Valuation bill, Snowden has deliberately established the principle that the proprietary rights of the community over land are superior to the rights of private landowners.

On the other hand he has discounted schemes for lavish expenditure on economic means of creating employment; and upon the subject of a revenue tariff, which many Labor members, like the Conservatives and not a few Liberals, now favor, he is wholly intractable. "Never," he has declared, "will I sanction so pernicious an expedient." Negatively he rules the Labor Government from within more firmly than Ramsay MacDonald rules it from above.

Philip Snowden is by far the strongest character in his party and in the government, and character is precisely the asset in which the party is poorest. He has set up a standard of hard work and harder thinking that no successor, in any party, will find it easy to excel or even to equal. His life has been spent in fostering the welfare of the wage-earning class. For it he has striven according to the best of his knowledge and belief, both of which are sustained by a definite philosophy.

He may be mistaken. His reading of the economic crisis, at home and abroad, may be wrong. But, at least, his mind has background and outlook, and is never superficial or time-serving. Socialist though he thinks himself, he abhors Bolshevism and all its works; for he is convinced that, if the Labor Party is to be fit to rule the State in its own right, its members must gain fitness by individual merit, self-discipline and self-sacrifice. In him the Puritan strain persists; and to me it seems that, as the years go by, the Wesleyan Chapel and the Liberal Club of Cowling in the West Riding of Yorkshire hold him ever more firmly in their grip.



# The Troubles of the Bituminous Coal Industry

---

By SYDNEY A. HALE

*Editor, Coal Age*

---

WHEN John L. Lewis, president of the United Mine Workers of America, on June 11, 1931, appealed to the President of the United States to sponsor and convene a joint conference of operators and miners for the purpose of discussing the problems of bituminous coal and of "finding a common, basic understanding," it became evident that all was not peace and harmony in the great soft-coal industry. Further proof of an unhappy situation was furnished by an epidemic of strikes in Pennsylvania, West Virginia, Ohio, Illinois and Kentucky.

Crises, however, are no new development. During the World War and for five years thereafter, soft coal was the subject of frequent public concern and the object of emergency government regulation. Transportation difficulties and strikes, both at the mines and on the railroads, led between 1916 and 1923 to four experiments in Federal control of prices and distribution. Today, in spite of the labor unrest which is disturbing the normal course of operations in several of the more important coal-producing States, there is no sign of public alarm over the adequacy of fuel supplies, and mine owners wonder where they can find enough orders to keep their plants running two and three days a week at prices which, in many instances, are below the cost of production.

Undoubtedly some of the public un-

concern over the immediate situation can be traced to the general industrial depression, but there was a similar lack of apprehension in 1927 when a strike closed the mines in Illinois, Indiana, Ohio and Pennsylvania. The roots of indifference go deeper than the present business depression and find nourishment in conditions which in a large measure grew out of the situation that formerly created buying panics.

Overdevelopment of the industry as a result of earlier transportation difficulties and the struggles between competing railroads for tonnage is certainly one underlying cause of the present difficulties. As more than 90 per cent of the bituminous coal produced in the United States is shipped from the mines by railroad, rail transportation facilities have been a fundamental consideration in the development of the industry. In the recurring periods of car shortage before 1920, the coal companies considered it good policy to operate a number of small mines, because each mine was entitled to a pro rata share of the equipment of the carrier serving it, based on tonnage loaded during the days the mine actually worked in the month preceding the shortage. Railroads with a reputation for a liberal car supply attracted mines to their rails. Many producers established switch connections with more than one railroad in the field, while roads which penetrated new territory containing



coal acreage, encouraged the development of mines both for their own fuel supply and for the revenue on the tonnage shipped over their rails.

Since the normal month-to-month movement of coal, while following a fairly well-defined seasonal rhythm, was and still is subject to violent fluctuations because of weather vagaries and unforeseen changes in industrial activities, it has been necessary to provide capacity for peak loads. Unlike many manufacturing industries, there is little storage of coal at the mines during off seasons to provide for extra demands during the weeks or months of most active consumption. Fluctuations in annual fuel requirements, also, are sharply accentuated by year-to-year changes in general business. The output in 1921, for example, was only 415,921,000 net tons—the lowest figure during the period 1916-30. Under the stimulus of war demands production rose in 1918 to the peak total of 579,386,000 tons; in 1930 output dropped to 461,630,000 tons. Obviously, if the bituminous industry is to meet such wide swings in consumer requirements, it must maintain a plant which will be on a part-time schedule a large part of the year.

Some overdevelopment can be charged to the periodic strikes and suspension of operations in those fields which had contractual relations with the United Mine Workers. During the heyday of the power of the United Mine Workers in the soft-coal regions approximately 70 per cent of the tonnage mined was produced under wage rates fixed by contract with that organization. This predominance was sufficient to exercise a strong stabilizing influence upon wage scales in the non-union districts. But repeated suspensions of production in the period between the expiration of one annual or biennial agreement and the signing of a new contract, intensified in 1919 and again in 1922 by general strikes, alarmed many large consumers and encouraged the greater ex-

pansion of production facilities in non-union territory. Moreover, as the rule of the union began to weaken, districts slipped from its control, its influence upon non-union wages disappeared, and the difference between union and non-union rates widened to such an extent that consumers had an economic incentive to place orders with non-union districts.

Although these factors promoted further development of mine capacity, others tended to check the demand. Increasing economies have been effected in the utilization of fuel by the consumer. The average consumption of coal per kilowatt hour of electrical energy generated by the public utilities has been cut in half since 1919. During the same period the steam railroads have reduced their average coal consumption per 1,000 gross ton-miles of freight service 28.8 per cent and the consumption per passenger train car-mile 20.5 per cent. Steel is using 15 per cent less coking coal per ton of pig iron, while the rise of the by-product coke oven has meant further economies. In addition, thousands of small, inefficient private power plants have been abandoned for central station service. If the railroads and the public utilities, which together consume approximately 36 per cent of the bituminous tonnage in a normal year, had been operating at 1919 fuel efficiencies in 1929, the coal requirements for the year would have been increased nearly 62,000,000 tons and the total production would have topped the record figures of 1918 by about 20,000,000 tons.

Gas, oil, water power, anthracite, firewood, and even windmills and work animals compete with bituminous coal as sources of energy requirements of the country. Their effectiveness in checking expansion of soft-coal tonnage, however, has been far less than that of the increased efficiency in the utilization of fuel. While the percentage of the total energy supply contributed by bituminous coal has been steadily declin-



ing since 1900, the actual supply furnished by soft coal, as measured in trillions of B. T. U. has been constantly increasing. Much of the energy derived from oil—which has shown the sharpest gains—has not been directly competitive with coal. Gasoline consumption in motor vehicles, for example, is competitive with coal only because, if the gasoline had not been available, the motor vehicle transportation load would have been carried by the steam railroads and by traction lines operated by electricity generated from coal.

Water power and natural gas, directly competitive with bituminous coal, furnished less than 15 per cent of the total energy requirements of the United States in 1929. The attractiveness of "white coal" as a source of energy has been measurably dimmed by the increasing efficiency in the use of coal in steam electric power plants and by the downward trend in coal prices. The recent renaissance of natural gas as a fuel, however, introduces a serious element of competition. Pipe lines have been laid or are projected to the doors of all the more important industrial centres of the country. These ventures are so new that estimates of their ultimate effect upon coal demand are still in the guessing stage.

Bituminous production records since 1831 show only eighteen instances in which the output for the year failed to exceed that of the year immediately preceding. Eight of these periods of decline, however, have occurred during the past twenty years, and in these cases subsequent recovery has failed to carry the tonnage above the levels reached in the year immediately preceding such decline. As a result, while each decade since 1831-40 has shown an increase in the average annual output for the decade, the rate of growth—particularly since 1910—has been declining. Increased efficiency in utilization and competitive fuels, of course, are partially responsible. But some weight, too, must be

given to the fact that the industrial expansion of the country as a whole is less rapid. All these developments mean that an industry which had been building on the theory that demand for its product doubled every ten years or less is now compelled to revise its outlook and policies, to become less production-minded and more sales-minded—a change which has confronted more than one natural-resource industry in recent years.

In meeting these new conditions the industry has undergone drastic physical changes. Between 1923 and 1929 the number of commercial or shipping mines in operation decreased from 9,331 to 6,057. Since 1920, 1,665 producing companies have been forced out of business, reducing the total number of companies to 4,612, and of this number 226 companies, with 487 mines, are consumer-controlled or "captive" operations. Although the smaller companies and mines, producing less than 10,000 tons per annum, show little change in numerical strength, more and more of the available business is being absorbed by companies with annual outputs in excess of 200,000 tons. In 1929, for example, 13.6 per cent of the number of mines in operation produced 200,000 tons or more per mine and accounted for 65.2 per cent of the total output. Mines producing less than 10,000 tons represented 42 per cent of the total number in operation, but furnished only 1.5 per cent of the output of the country. The heaviest mortality has been in mines and companies in the groups between the 10,000-ton and the 200,000-ton classes.

The decline in number of mines has been coupled with a decrease in the number of miners. At the turn of the century this mine army numbered 304,000; by 1910 it had risen to 556,000; at the peak in 1923 the ranks were swelled to 705,000. By 1929, however, the closing of many mines and the increased efficiency of operation at many of the surviving mines reduced the total to 503,000 men.



Large-capacity electric or steam power shovels are being used to strip away the overburden, sometimes fifty feet or more in thickness, while the coal which is thus exposed is loaded with smaller power shovels. This further mechanization has contributed materially to a decrease in the number of men who can find employment at the mines. During the ten years ending with 1929 the average output per man per day for all classes of bituminous mine workers increased from 4 to 4.85 tons, or 21.25 per cent.

These figures, however, do not tell the whole story. In 1930, for example, the average tonnage per man per day for loading-machine crews in Illinois was 21 tons; for the men working with conveyors and other semi-mechanical loading devices the average was 17.1 tons. Individual peak records of forty tons or more are not unknown. The effect of this development upon the opportunities for employment is reflected in the experience of a large Wyoming company that increased its percentage of mechanically loaded coal from 3.2 to 51.3 per cent in six years and cut its labor force during that time approximately 40 per cent. Reduction in the number of workers was effected not by wholesale discharges but by taking advantage of retirements, deaths and voluntary separations from the payroll, because the wholesale discharge of men as the price of mechanization finds little favor with management in the soft-coal industry. The smaller number of men employed under the stripping system of mining also shows up in the high daily average tonnage per worker, which exceeded thirteen tons in 1929. At the Rosebud operation in Montana the average per man per day is forty-eight tons.

Although experimental work on the mechanical loading of coal underground goes back to the 1890s, and one producer in Southern West Virginia employed loading machines on a large scale as early as 1918, this phase of mechanization did not be-

come a major factor in the industry until it was introduced by operators in the unionized areas in 1924-25. In 1923, the first year for which data are available, approximately 2,000,000 tons, or less than 0.4 per cent of the total output, was loaded mechanically. In 1930, when the industrial depression hit hard the demand for soft coal, the quantity mechanically loaded jumped to 46,824,000 tons—more than 10.1 per cent of the total production for the year. Union mines in Illinois, Indiana and Wyoming were responsible for 62.3 per cent of the total of this tonnage.

Intensified interest in underground mechanization was a direct outgrowth of the Jacksonville wage agreement of 1924. This agreement continued for another three years the high rates of 1920 in the union fields, while union power over the industry was disintegrating and an increasing number of non-union operators, paying the 1917 basis of wages or less were making competitive life miserable for the union producer. Bound by an inflexible wage scale, the management of union mines was compelled to seek other avenues for reducing production costs. The mechanization of underground loading was the answer, with a further increase in irregular employment as an inevitable result.

Labor plays a vital rôle in the drama of bituminous coal, because 60 to 70 per cent of the cost of production is absorbed directly in the wages of the mine worker. The organized struggle for better working conditions started in the Civil War days, when Daniel Weaver and Thomas Lloyd, British immigrants who had come under the influence of the Chartist movement, took the lead in forming the American Miners' Association. The United Mine Workers of America, organized in 1890 as a consolidation of two older mining unions, was established upon a firm basis, with the active support and cooperation of a number of coal operators, who joined in the central competitive field agree-



ment of 1898, fixing base rates for Illinois, Indiana, Ohio and Western Pennsylvania. Mark Hanna, W. P. Rend and the other employers who held out the hand of friendship in the early days of organization, were not animated solely by unadulterated altruism. Several years' experience with uncontrolled competition, in which both wages and capital assets had been the pawns in the fight for profitless orders, had convinced them that no semblance of stabilization was possible unless wages could be fixed at definite figures for definite periods of time.

With the central competitive field committed to collective bargaining, the United Mine Workers was in a better position to consolidate gains on other districts and to attempt to win a foothold in sections of the country which had declined to recognize the union organization. Its efforts were successful in the Southwest and in parts of the Rocky Mountain region, but its history in the Connells-ville and Westmoreland districts of Pennsylvania was disastrous. South of the Ohio River the fortunes of war fluctuated, and, outside of the Kan-awha district in West Virginia, its control never was strict. Despite southern reverses, however, the union, at the height of its power in 1919-22, was able to tie up over 70 per cent of the productive bituminous capacity of the United States.

Unfortunately, both for the union and, as subsequent developments have proved, for those operators who looked to organized labor as a stabilizing force, the strength of the United Mine Workers was its undoing. Suspension of work during wage negotiations and the later general strikes of 1919 and 1922, put the union into disrepute with many consumers and producers. The New River field of West Virginia, which had recognized the United Mine Workers during the World War days, deserted the union in 1921, when men were given the choice of accepting the 1917 scale or

remaining idle. About half of the production of the State of Washington parted company with it the same year. Alabama dropped away for the second time. Western Kentucky in 1924 refused to be bound by the Jacksonville wage scale; in Northern West Virginia, where the operators' associations had renewed contracts with the United Mine Workers, the open-shop movement was accelerated sharply in 1925, when the Bethlehem Mines Corporation and the Consolidation Coal Company discontinued union relations. About the same time the Pittsburgh Coal Company, the largest producer in western Pennsylvania, also broke away. Central Pennsylvania grew increasingly restive, and southwestern solidarity started to crumble.

When it was necessary to negotiate a new contract in 1927 union insistence that there be no reduction in wages resulted in the secession of Ohio and western Pennsylvania; central Pennsylvania soon followed. Suspension of work in Illinois and Indiana was ended by temporary agreements continuing the old wages. Only the strip mines of Kansas and Missouri and a few scattered shaft operations in the Southwest were willing to remain in the union field. Pressure of district unions finally forced the parent labor organization to permit the negotiation of agreements without regard to the Jacksonville scale, and new contracts at lower wages were signed in Illinois, Indiana, Iowa, Wyoming and for the remnants of the union Southwest. The net result of the struggle was that union-controlled tonnage decreased from over 70 per cent of the total output to less than 20 per cent. Union contracts as a stabilizing influence on non-union wages were destroyed.

With this influence gone, competitive conditions have become dangerously similar to those which preceded the signing of the first central competitive field agreement in 1898. Wages in many districts have sunk to low levels, and these levels are further



depressed by irregular employment. As a result, a fertile field has been created for the National Miners' Union and other radical groups challenging the labor leadership of the United Mine Workers. These radical groups have not neglected their opportunities. Although their activities have won them no contracts, their entrance into the picture has created a situation where many non-union operators are ready to deal with the United Mines Workers. In northern West Virginia over thirty companies have signed agreements with the United Mine Workers at wage rates, subject to sixty-day revisions, below the highest paid by large non-union operators in the field. The Pittsburgh Terminal Coal Corporation, second largest commercial producer in western Pennsylvania, is back in the union fold.

The final outcome of this particular phase of the struggles of the bituminous coal industry toward stabilization is still unwritten and unacted history. But its appearance at this particular time ought to hasten the progress of a sound rehabilitation program because of the emphasis which the present labor unrest places upon

the economic problems to be solved. The marginal producers are vanishing from the scene, and executives with vision are modernizing their properties to meet new economic conditions. The rapid growth of mechanical loading is only one of many phases of technical advance which mark the course of engineering progress in the industry.

Even more important, however, is the disappearance of the ideas born of a gambler psychology which characterized the industry before 1926 made it inevitable. The hope for a return of "the good old days," when strikes, car shortages, local disaster, national calamity or international catastrophe could create an overnight bull market in coal, has been definitely abandoned. Leadership in the industry is modernizing its viewpoints as well as its physical properties and gradually is coming to the realization that its future prosperity depends upon stabilizing the present trade in coal as a raw fuel and in seeking new uses for its product in the laboratory and in the field. That the readjustment will be painful to many victims is admitted, but real progress seldom is purchased at the bargain counter.



# In Vindication of Roger Casement

By PADRAIC COLUM  
*Irish Poet and Dramatist*

A RECENT biography of Roger Casement will give the reader who had only knowledge of his end a surprising revelation of how varied Casement's life was, how influential and how serviceable.\* The public who know his name think of him as an Irishman who renounced the British service in which he was prominent, went into an enemy country to gain help for conspirators, and was hanged for his treasonable activities. They may remember that he investigated atrocities on the Congo and the Amazon. But they will have no conception how such investigations affected the man who made them or what effect they had on world politics.

In the life of Roger Casement, with its contrasts, adventures and startling confrontations, there is more dramatic material than in that of any other outstanding man of our time. He went upon Stanley's tracks as a young man and looked upon African village life with its immemorial quality that it was soon to lose. As an official at a lonely outpost he absorbed as much of that life as any other white man. Conrad watched him go off "into unspeakable wildernesses swinging a crook-handled stick for all weapons, with two bulldogs \* \* \* at his heels, and a Loanda boy carrying a bundle for all company," and had the satisfaction of seeing him come out of the wilderness a few months later, "a little

leaner, a little browner, with his stick, dogs and Loanda boy, and quietly serene as though he had been for a stroll in a park."

This capacity for unaccompanied action was characteristic of Casement. At enormous personal risks and harried by great interests, we see him in Mr. Gwynn's pages doing all that one man could do to save black men from torture and extermination. Later on we see him taking even greater risks, striving to save a less known people from an even more dreadful exploitation. Then we see him as one of the leaders in a movement for the liberation of his own country. There is an apparent reversal in his loyalty, and he goes to Germany during the war with the object of obtaining aid for a revolutionary Ireland. He endeavors to stop the revolution. He is put on trial as a traitor and his prosecutor is a man who had preached revolution for a section of Ireland. He is hanged for treason, and he makes his exit with the dignity of a conquistador. Drama is added to this history by the strange complexity of his life and motives, and by his unforgettable personality. Surely a character for a fascinating biography. And the material for that biography exists in abundance—his diaries, his reports on the Congo and the Putumayo investigations, the records of his trial.

Photographs of Casement in the Gwynn biography convey something of the noble and distinguished pres-

\**Traitor or Patriot: The Life and Death of Roger Casement.* By Denis Gwynn. New York: Jonathan Cape & Harrison Smith, 1931. Pp. 444. \$3.



ence that was his. Tall, dark, bearded, lissom, he had that sort of romantic distinction that we credit the Castilian *hidalgo* with having. Everything about him was courteous and fine. His voice was as memorable as his appearance; his tone was low, but he spoke with a subdued vehemence that was made the more earnest by the intentness of his gaze—an intentness that had no hardness in it.

Two encounters with him stay in my mind as having characteristic attitudes of his. One morning he came to where I lived in Donnybrook. I well remember his approach to the house. There was a lilac bush before the door, and blossoms had just begun to come out on it. And there was that tall, worn, impressively handsome man pausing to take note and to speak of this budding. That was in the Spring of 1914. The second was on a wind-swept bridge in Dublin. A forlorn, blind woman is offering matches, unaware of the fact that there are no more passers-by. Casement goes over and speaks to this old woman, and there is in his attitude, in what he says, true compassion. That evening I had seen him in a Dublin saloon. Some one had asked him where his birthplace was. "Number six Doyle's Cottages, Sandycove," he had replied. I knew that Casement belonged to an Ulster family that had a place somewhere in the glens of Antrim, and I had always associated him with that romantic part of Ireland; it was a surprise to hear that he was born just outside of Dublin, and in a place that seemed to be very little in accord with his distinguished appearance. Sandycove used to have a good many residents who were of the seafaring profession, and his father, although an officer with a military rank, must have had some naval connection. From his childhood Casement was brought up in the glens of Antrim; his first profession was a sea-faring one; he became a purser with the Elder Dempster line. This brought

him to Africa, and he quickly fulfilled a dream he had had of becoming an explorer in the territories that had been opened up by Stanley.

I first met him when I was in my early twenties. It was in the glens of Antrim, at a Gaelic League festival. The Congo investigation had been made by him, and Casement had become a noted figure. He was hopeful about the language revival movement, was romantic about Irish nationalism, and was constantly invoking the memory of the princely O'Neills, whose territory was in this part of Ulster. I met him at the house of a lady, a landowner in the district, and I had the impression that she and Casement were cousins. It is important to note that these associates of his in Ulster were Protestants and Nationalists—they were the remnant of a Protestant Nationalist society that had a good deal to say for itself before the Belfast proletariat began to dominate Ulster politics. Casement was not then what was called an "extremist." If I remember rightly the position he favored was that which would bring about the restoration of the old Constitution—the abolition of the Union between Great Britain and Ireland, and government by "The King, Lords and Commons of Ireland." I may have got this impression through hearing that in his Consular office he insisted that he represented Ireland as well as Great Britain, and had had the heading of his stationery changed to bring in the recognition of Ireland as a distinct kingdom and not merely as a province of Great Britain.

It must have been immediately before this holiday of his in the glens of Antrim that he undertook the investigation into the reported atrocities in King Leopold's Congo domain. Casement was known as an expert of West African conditions, and had earned a reputation for great personal courage and enterprise. Moreover, he was looked upon as a man who pos-



sessed the highest sort of morale. Denis Gwynn quotes the opinion of one who knew him in Africa—"a high-minded man, against whom there has never been the breath of any kind of scandal. To me, he has always represented what is meant by the words honor and courage. I have known him twenty-one years (five years of our friendship being spent together in Africa), and I cannot imagine a finer specimen of a man. He invariably wins the heart and confidence of all he meets. He is absolutely honorable and without fear." A single extract must suffice to show what were the conditions that he discovered and reported upon:

Visiting the homes of those who lived inland from the beaten tracks, he watched the rubber workers marched off under armed escort for a two days' journey to the outskirts of the forest. There they would toil amongst the swamps for days, searching for good rubber vines in districts which had been worked over time after time. They knew that if they delayed in their work there would be fierce penalties to incur. They would come back worn out, carrying a sovereign's worth of rubber every week, to receive payment at the rate of less than sixpence for their toil. Even in the local markets the goods that they received in barter would not fetch more than double the paltry price they had cost the company that paid them out. And day after day would come fresh evidence of mutilations or of murder by the soldiery, whose only idea of their duties was to punish by the most primitive methods every native who proved recalcitrant. September came, and a few days before his mission reached its end, he had seen the elderly headmen of a village near Bougadanga setting out in canoes to find meat as the ransom with which they hoped to get back their wives. One of them had come piteously in with his infant child to implore that it should be restored to its mother, as it must otherwise die through not being fed. Casement and the local missionary had interceded and obtained what he asked; and Casement had announced there and then that he intended to expose the whole system of detaining women to compel their husbands to work. \* \* \* Traveling by canoe, and then on through a flooded forest, he came upon the accused sentry surrounded by the terrorized village. Before long the boy was brought in, wearing a dirty rag wrapped around his wrist. Casement re-

moved it and could see at once how the hand had been hacked off, while a shot-hole showed plainly in the flesh of the forearm. Determined to see the matter through, Casement insisted on having the sentry brought before him, and in the presence of the whole village he interrogated both the sentry and the boy. There could be no doubt whatever of the truth, and in a verbatim report Casement put the whole facts in an appendix to his report. Here at least he had been able to conduct a full judicial inquiry, and he learned soon afterwards that, acting upon his own request, the authorities had arrested the sentry and put him on his trial. \* \* \* He could do no more than investigate one other case on the spot, where he found still more natives with their hands cut off. He had seen more than enough, and the strain of ten weeks of diligent inquiry in the blinding sun of the hottest season of the year had told upon him severely.

His report, sent to all the chancelleries of Europe, had repercussions that were felt through the whole civilized world. King Leopold was forced to reform the administration of his domain, raising his revenues without recourse to such atrocities.

Denis Gwynn informs us that Casement had nineteen months' leave of absence after the Congo investigation and that he spent most of this holiday in Ireland. Casement dated his commitment to Irish nationalism from this period. It should be remembered that this moment, around 1904, was the Golden Day of the Irish revival. There was a feeling of enthusiasm and vague romantic hope amongst educated people who accepted the tradition of Irish nationalism, and not least amongst the Ulster nationalists whom Casement looked upon as being especially kindred to him. He had little interest in the literature that was being produced at the time—at least, this was my impression then. He himself was writing verse, but of the rhetorical, ballad sort that went back to the period of *The Nation*. Irish nationalism was not mere romance to him: he devoted time to helping toward the economic development of the country. He took a hand, too, in the militant activities



that were being resorted to by the "extremists": the most dangerous work that one might engage in at that time was the anti-recruiting movement—the discouragement of Irishmen from joining the British Army. Casement gave his support to those who were engaged in this activity although he was in the British service, or, as he would put it, in the service of the Kingdoms of Great Britain and Ireland. This activity of his was not made public. Denis Gwynn puts all this down to his loathing of imperialism as a political philosophy.

Casement then went to Brazil, where he served as consul in several important centres. I remember a conversation I had with him when he appeared in Dublin again. Anatole France had visited Brazil and I had been reading about a reception given to him. "Yes," said Casement, "and his lectures were attended by half-caste generals and officials who tried to talk to him as if they were civilized men." He went into a bitter denunciation of the Brazilians. "They have the richest country in the world and all they do is sit at receipt of customs at Rio." He then launched out on a denunciation of the Monroe Doctrine. It was that, he declared, that kept South America from being freshened by European enterprise, leaving it in stagnation. And I was surprised to hear him speak of the Monroe Doctrine as part of British diplomacy. "It is a part," he said. "The British cannot control South America, so they do the next best thing for their own interest—they share it with another English-speaking country. But it is the British fleet that gives validity to the Monroe Doctrine; without the backing of the British fleet it would be an empty declaration."

His investigation into the operation of a rubber company in Putumayo, on the Amazon, revealed even worse horrors than were brought to light in the Congo territories, and cost even greater emotional and nervous exhaustion on Casement's part. His re-

port made him the most-talked-of man in the British Empire. He was publicly thanked by the Prime Minister in the House of Commons for what he had accomplished.

After I had become sole editor of *The Irish Review* in 1912, and had published a poem of his, he told me that he wanted to publish something else in *The Review*, and asked me to breakfast with him so that we might talk over this contribution. I went to the house he was staying in in Baggot Street. Breakfast with him was rather a joke, for he never took breakfast. He showed me the article he wanted published and talked about the conditions that it had relation to. I realized how important was the matter that was being confided to me. He asked me for an assurance that I would not reveal who the writer was. I, of course, gave him such assurance.

Casement expected a war in 1915 between Germany and the French-English-Russian combination. His sympathy was entirely with Germany, which country he thought would be put diplomatically in the wrong. "The Germans do not know," he said, "what the feeling of England toward them actually is. The German Ambassador knows nothing. When he enters a room the conversation automatically changes. The wonderful English unanimity is being used to mislead Germany." But Germany, he thought, would be undefeated in the war. The conflict, with its difficulties for England, with the necessity it would bring to Germany for an understanding of the Irish situation, would give Ireland her opportunity. Independence of England could only be achieved, as Italian independence of Austria had been achieved, by men who were prepared to fight and die. The Irish struggle would enter on an armed phase.

I knew that war with Germany was coming. A short while before a brilliant young Irish nationalist who was a member of Parliament, T. M. Kettle, had said to me: "They will have to make Winston Churchill Minister for



Foreign Affairs. They need a more resolute man than Grey to pick a quarrel with Germany." Although war was known to be coming, no one whom I knew had thought out what policy nationalist Ireland was to adopt in the struggle. Casement's article which he signed with one of the secret names for Ireland, "Shan Van Vocht," was the first attempt to state such a policy.

I published the article and he had copies sent to some members of the German General Staff and to General Hertzog in South Africa. The article made a sensation; it was referred to in the London *Times* and the German press. Then *The Irish Review* passed from my control.

The Ireland that Casement returned to after Putumayo was very different from the Ireland he had returned to after the Congo. "Romantic Ireland is dead and gone, it's with O'Leary in the grave," wrote a poet at this time. Certainly the period of vague idealism had gone. There were now groups in the country who were determined on taking political and economic control, and a militaristic spirit was beginning to show itself. At the same time a measure of Irish autonomy was being put through the British House of Commons. But this was being resisted in the name of "Ulster." A Cork lawyer with a Dublin accent, Sir Edward Carson, led the resistance, but he drew his power from Sir Henry Wilson, the director of military operations in the British Army, who seemed to be determined to make the Irish people realize that the last word about their national aspirations had to be pronounced in the War Office in London and in the Curragh camp in Ireland.

Before Casement had crossed over to Ireland he had had a harrowing time. He had come from South America to England and had waited for judgment to be executed on the perpetrators of the outrages he had witnessed. He had waited for a year. For any man of ardent temperament

this delay must have been maddening; for Casement, with the horrors of the jungle tortures clear in his mind, with his body, mind and nerves worn taut, it must have been an agonizing business. I think it is possible that he then began to transfer some of the hatred that he felt for the cruel men of the forest to men who were at the head of an empire. He had gone back to Putumayo and found that the conditions which he had shattered for a while were being re-established. "The company \* \* \* had determined to retain forcible exploitation of the Indians as their right by conquest and their surest means of speedy gain." Then he had gone to Washington to enlist American sympathy, with the result that pressure had been brought to bear upon Peru from both Great Britain and the United States. Casement had then ended his connection with the British service, and had retired with a pension of about \$1,700 a year. At the age of 48 he began to give his political energies to the Irish Nationalist cause, and at a time when that cause was being mocked and thwarted by great servants of the British Empire, high military officers and prospective Cabinet members.

Roger Casement's career was full of psychological interest, and a psychological reading of his later career might begin with this definite entry of his into Irish affairs. He had been an ardent Irish Nationalist for years, but up to the time when he resigned from the consular service there is nothing to show that his hatred of England as a world power was such that he wished for her defeat in war. It might be argued that he did not have any such hatred, that all that happened was that he foresaw the approach of a European war, that he was convinced that Germany would emerge victor from it and that he wanted his country to be in a position to take advantage of the new distribution of power.

That Roger Casement was a Nationalist, that he looked to an armed

volunteer force in the country as a means of asserting the national claim may be taken for granted. But Casement also desired the defeat of England as a world power—I know that from my contacts with him at the time. Now when did a hatred that could evoke such a desire grow up in him? He may always have had it. That I can hardly believe; he had served the State he wished to see defeated for a long term of years, he had gone here and there on its bidding, he had accepted (although it must be said he did not greatly prize them) the honors it bestowed on him. I can hardly believe that all the time he was in the British service he hated England as a world power. Nor can I believe that the insolent denial of the national claim by Carson, Wilson and F. E. Smith (the Birkenhead who was to prosecute Casement for high treason) could create that hatred; it could, I am sure, and did, contribute something to it. No, this hatred, I feel sure, was a transference from some other object. I think that when he came back to Ireland he put Africa and South America out of his mind. I never heard him speak of the people of these places except in distant, ethnological terms. But something must have remained from his experiences in the forest and the jungle; it is not at all unlikely that he projected them into Irish history. He would talk about atrocities committed on the Irish people as if he were recalling them.

The figures in contemporary Irish politics were for him resuscitations of figures of the past. I remember his speaking to me about Sir Edward Carson. To me Carson was just an able agitator, but as Casement spoke about him I got an impression of one of the villains of history. "He will succeed," Casement said; "he will destroy the present government, and we'll have him ruling Ireland as another Fitzgibbon." Villains are figments of the imagination to most of us, but they were real to Casement;

he had known villains and he knew what power in the world they have and what real immunity. He thought about villains, I imagine, many times in the course of his day. And he came, I think, to have a hero to pit against the villains who were out to destroy all that was hopeful in Ireland—he knew "the deliverer of Kathleen-ni-Houlihan." When I saw him in America in October, 1914, he asked me who, in the opinion of people I knew, could form a government in Ireland in the event of a British naval defeat. I repeated some names. None of the men I mentioned were adequate, he replied. Then speaking as if to himself he said: "Ireland can be saved by another Owen Roe O'Neill coming over the sea to her." In other words, by a trained man who had obtained experience in another country's service and who knew European standards and requirements. And it was obvious to me that Casement, an Ulsterman like Owen Roe, saw himself as that knightly and accomplished General.

Casement's great achievements were when he was alone, when he could go into "unspeakable wildernesses" and do his work without dealings or communications with colleagues or associates. To the cause to which he dedicated the last years of his tragic life he contributed sound ideas. He had not, however, sound judgment as regards the means he used to give effect to these ideas. As a statement of policy, *Ireland, Germany and the Next War* is wholly admirable: it states ably the external implications of Griffiths's statesmanlike policy; with Casement's idea associated with Griffiths's, a statesmanlike policy with regard to that country which is "primarily a European island inhabited by a European people who are not English and who have for centuries appealed to Europe and the world" emerges at last, and the spectacle which for generations had sickened high-spirited Irishmen, the spectacle of their country's status being made a brawling issue for British parties, is cast aside,



never to be revived. To make the Irish question a European one—it was to do this that Casement was to devote the remnant of his life.

But, as I have said, he showed poor judgment in the way he strove to carry out his idea. For instance, after helping to create a volunteer force in Ireland, which was not only to cancel out the Ulster Volunteers but to be a factor in eventualities—the European war in Casement's time-table was due in 1915—he made the mistake of suggesting that General Kelly-Kenny be invited to take the position of commander of the force. Any one should have known that the volunteers would never take orders from an officer who had come to them from the British service; the presence of such an officer would end enthusiasm for any enterprise within the volunteers. It was wise and patriotic on his part to strive to get from Germany a declaration that she would respect Irish institutions in the event of her forces reaching the British Islands; the making of that declaration by Germany did a great deal toward making the Irish a European question. But the consideration he offered in exchange for it—the formation of an Irish brigade from among the Irish prisoners in the German camps—was both useless and unworthy. These soldiers were not conscripts; they had joined the British Army on their own initiative, they had pride in and loyalty to the famous regiments they belonged to, and the leaving of their comrades and their regiments to form a brigade in the German service was bound to be regarded as desertion by them.

I saw Roger Casement for the last time in October, 1914. He was staying in Brooklyn, and my wife and I had tea with him there. What he had prophesied, he held, had come to pass—Germany had been put diplomatically in the wrong, and England, by cutting the Atlantic cable and so isolating Germany, had achieved a characteristic victory. He was full of con-

tempt for Bryce for putting his name to the report on German atrocities in Belgium and for those who took the Bryce report seriously. And now Japan was in with the Allies. "Germany is the victim of an indecent assault," he declared vehemently. But he was hopeful that the entrance of Japan into the war would have the effect of making America critical of the allied propaganda. He was very nervous, very unsettled, I remember.

Then he went to Germany. His sojourn in that country must have been a purgatory for him. From the moment of his entry into Germany until his going out of it two years later he was involved in a maze of plot and counter-plot. One plot, or alleged plot, owing to the way he reacted to it, did Casement enormous harm: this was the one in which the British Minister to Norway, Mr. de C. Findlay, figured. He was alleged to have made an offer to Casement's servant which was to lead up to either the kidnapping of the Irish envoy or his being "knocked on the head."

Casement believed the story as his servant (a thoroughly bad lot) related it, and his hatred of Findlay became an obsession with him. He wasted time laying traps and weaving webs that would implicate Findlay more and more deeply. He wanted the Germans to publish the documents in the case, he wanted the Irish in America to give the widest publicity to the plot that had been made against him. He did not realize that his complaints to the German authorities had the effect of putting him under the gravest suspicion. The British Minister had failed to hold him—why? Was it not because he was really an agent whom the British wanted to get into Germany, and was not this story, told by a scamp whom the police were watching, only an attempt to fool the authorities? Casement, for a long time, was left to act alone against Mr. de C. Findlay—that is to say, to get more and more obsessed with this new enmity of his.

It is illuminating to notice how, in this maze of plot, the unintentional factor triumphs while the carefully planned move is canceled out by some other carefully planned move. Findlay's alleged attempt on Casement's life or liberty, Casement's own death—these were what made for consummations. The obsession about Findlay deflected Casement's purpose; his death with all its dramatic circumstance hardened the will of the Irish people, forced the revolution on, and was one of the factors in bringing Ireland to the status that Casement dreamed of—a state capable of taking on the functions of a European entity.

The group that brought about his execution planned to blacken his name. Stories were circulated with the object of showing him as a man of perverted habits; a diary in his handwriting was put upon view. It was never explained how this diary came into the hands of the British Secret Service. Denis Gwynn advances a theory about this document: it would be unthinkable if related of any other man, but to my mind, it is very credible when related of Casement. The theory is that the handwriting is Casement's but that the diary is not. The diary was kept by one of the Putumayo gang, a man whom Casement wished to charge with every horror. Casement copied the diary when it fell into his hands. I can see him, in those long days of inaction, as he became obsessed with the villainy of some enemy, copying down the record—perhaps translating it—of another evil. We know how skillful all secret services were in wartime in making chance documents fit their propaganda. Denis Gwynn notes that Casement while engaged in exposing the Congo atrocities was watched by men who represented great interests and who had control of a great section of the European press. If they had found out anything that would have discredited King Leopold's opponent we may

be sure they would have given it the widest publicity.

On this subject I think I can add a word. When the Congo report was published Casement was attacked in *The Irish World* of New York as an English agent. England wanted the Congo trade, and this report, it was alleged, was preparatory to ousting Catholic Belgium from the profitable Congo domain. When he came to America in 1914 *The Irish World* had him shadowed for some months. After he had been executed and the charges against him were being whispered around, the late Robert Ford, then editor of *The Irish World*, said to me: "There is nothing in these charges; we had him followed everywhere, and he behaved everywhere as an innocent and honorable man." The time has come when the British Secret Service should withdraw those charges against him or else tell us where and how they obtained the documents they put on exhibition.

Roger Casement's name will remain on the rôle of martyrs for Irish liberation. And it will ever be associated with a single-minded and almost single-handed fight against cruelty and brutality. In that great report of his on Putumayo he put down words which have the power to move us—words in which one who knew him finds the essential Roger Casement: "It may be long before a demoralization drawing its sanction from so many centuries of indifference and oppression can be uprooted; but Christianity owns schools and missions as well as dreadnoughts and dividends. In bringing to that neglected region and to those terrorized people something of the suavity of life, the gentleness of mind, the equity of intercourse between man and man that Christianity seeks to extend, the former implements of her authority should be more potent than the latter."



# Railroad History in the Past Decade

---

By NELSON LEE SMITH

*Assistant Professor of Economics, Dartmouth College*

---

**F**EW chapters of American history have been so packed with important developments as that covering the period since March 1, 1920, when wartime control ceased and the provisions of the Transportation Act became effective. At that time, due partly to declining pre-war earnings and partly to the upsetting experiences through which the roads had just passed, railway credit was extremely weak. For closely related reasons plant and equipment had deteriorated and labor efficiency had ebbed to a low point. Actually in 1920 the railways were quite incapable of rendering an adequate transportation service.

Various sections of the Transportation Act were intended to correct these weaknesses. The Interstate Commerce Commission was directed to establish rates which would meet the roads' needs for revenue by producing, on the average, a fair rate of net return on the value of their property. The earnings of strong roads were to be tapped to aid the weaker lines, directly, through an increase in the share of joint rates going to the weaker roads, and indirectly, through the recapture of half of any road's net income above 6 per cent, the excess going into a fund from which loans might be made to needy carriers or out of which equipment might be purchased for their use. Voluntary consolidation was provided for as a means of strengthening the trans-

portation system by joining weak roads with strong and by permitting economies in operation and capital investment. A further safeguard to credit consisted in the requirement of approval by the Commission before railways might issue securities or construct and operate new facilities. The grant of additional powers to the Commission over such matters as the acquisition and abandonment of property, car supply, safety devices, and operating practices was likewise intended to insure satisfactory service to the public. New machinery was set up to promote amicable relations between the roads and their employees. The view that a uniform, nation-wide solution of railway problems is desirable led to the extension of Federal regulation and a corresponding decrease in the importance of State control.

Some of these changes in public policy have been most significant; others have been of but little effect. Taking into account the situation as a whole, however, it can scarcely be questioned that the ability of the American railways to serve the public has been greatly increased since 1920.

Outstanding among the changes has been the marked improvement of railway credit. Because of the limitation of earnings by the public and the general tendency of earnings to a greater stability than in the case of industrials, the market prices of rail shares have not fluctuated as widely

as have those of industrials. Expressed in index numbers based on 1926, 337 industrial stocks ranged between a low yearly average of 51.6 in 1921 and a high of 189.4 in 1929. A representative group of rail shares, quoted in the same terms, sold for 61.8 in 1921 and 147.3 in 1929. For the first six months of 1931, the figures were 99.8 for industrials and 89.4 for rails, as against 157 and 137.4, respectively, for the same period in 1930. In comparative terms the position of rail stocks has improved since the highly speculative markets of 1929. For that year the rail stock index number was but 77.8 per cent of the industrial. The ratio rose to 88.8 per cent for 1930. For the first six months of 1931 it was 89.6 per cent, as against 87.5 per cent for the same period in 1930.

Another means of expressing the attitude of investors toward rail as compared with industrial securities is by comparing the yields on bonds of the two classes. The average yield on a group of high-grade industrial bonds fell from 6.01 per cent in 1920 to 4.83 per cent in 1927. In 1920 a representative group of railway bonds sold to yield 5.79 per cent, or 96.3 per cent of the industrial bond yield. In 1927 the yield was 4.31 per cent and the ratio to the industrial bond yield had fallen to 89.3 per cent. A slight increase in this ratio occurred in 1929, but in 1930 it was 88.9 per cent, and for the first six months of 1931 it was 84 per cent, the actual yield being 4.29 per cent, which may be compared with 89.9 per cent and 4.47 per cent, respectively, for the same period in 1930.

To some extent the credit of the roads is indicated by the proportion of bonds and notes to the total of securities issued, although variations of this ratio, like those already referred to, are due to the general market situation as well as to the earnings of the roads. Favorable conditions and the Interstate Commerce Commission's insistence upon the raising of funds by prosperous carriers through the sale of

stock rather than bonds, have led in the past five years to a revival of railway financing through stock issues. The result has been to check the rise of the ratio of debt to total capitalization, and to raise the proportion of stock issues to total current financing from its low point of 5 per cent in 1925 to a new post-war high point of more than 40 per cent in 1930.

Shortly before America's entry into the World War, eighty railways operating nearly 35,000 miles of line were in the hands of receivers. For 1920 the figures were sixty-one roads and well over 16,000 miles. Only twenty-nine roads, with a mileage of less than 6,000, were being operated by receivers at the beginning of 1930.

The improvement of credit has been due largely to the increase of net earnings. From 1920 to 1922 the standard fair rate of return was set at 6 per cent; since 1922 it has been 5.75 per cent. Although the roads as a whole have never enjoyed this rate of earnings, their returns on the tentative valuation in 1920 plus additions and betterments rose sharply from 3.13 per cent in 1921 to 5.45 per cent in 1926, fell off in 1927 and 1928 and advanced again to 5.22 per cent in 1929. For 1930 the rate of return was only 3.54 per cent and for the first four months of 1930 it fell to 2.23 per cent. For the ten years 1921 to 1930, inclusive, the roads failed to earn 5.75 per cent on this rate base by more than \$2,500,000,000.

In 1929 the Supreme Court rejected the method of valuation used by the commission in computing the recapturable excess earnings of the St. Louis & O'Fallon Railway. Since that time more rather than less uncertainty has existed concerning the relative weights to be accorded original and reproduction cost in the valuation of railway property, particularly in connection with current additions to plant and equipment. The tentative valuation used by the commission in the rate advance case of 1920 was about 5 per cent below the roads' in-



vestment figures and the value assigned for use in the pending 15 per cent rate advance case is about 15 per cent below the roads' investment account. Accordingly, returns on the book value of the carriers have been at lower rates than those listed above.

Like any method based on averages, these measures of railway prosperity fail to show the position of individual roads. It is significant, however, that although the Transportation Act intends approximately the same rate of return for the roads in various parts of the country, discrepancies between actual earnings and the standard fair return have been greater in the western and southern districts than for the eastern group. The returns of given carriers have at times risen above the 6 per cent level. More than \$10,600,000 of excess earnings have been recaptured by the government but, chiefly because of protests concerning the method of valuation, no use has yet been made of this fund. The Commission now urges the repeal of the recapture provision. In some instances, notably in the New England Divisions Case of 1923, the financial needs of roads earning low returns have been met to some extent by according them higher proportions of joint rates. With increased earnings has come an improvement in the records of the railways. In 1920 only 57 per cent of the total stock outstanding paid dividends. The average rate was 6.5 per cent. In 1929 an average of 7.5 per cent was paid on 76 per cent of the stock. Dividends were fairly well maintained in 1930 but in 1931 many roads have found cuts to be necessary.

Changes in gross and net earnings during the last ten years are not attributable primarily to general changes in the level of rates. Percentage increases of rates and fares were ordered in 1920 in an attempt to increase revenue by about \$1,500,000,000, but a fall of traffic caused a decrease of \$650,000,000, or close to 10 per cent. In 1922 freight rates were reduced by 10 per cent. Since that

time there has been no general increase or decrease, but on June 17, 1931, the roads petitioned for a flat increase of 15 per cent in rates. Operating revenue for 1930 had fallen 16 per cent below the 1929 figure to a new post-war low of \$5,340,000,000. The roads maintain that the outlook for 1931 is at least no better and that an emergency exists which can be met only by an immediate general advance of rates which was intended to produce an additional income of \$400,000,000.

For the period as a whole, average revenues per ton mile and per passenger mile, although affected by other influences, constitute fairly satisfactory measures of the rate level. Revenue per ton mile has approached the 1920 level, steadily falling from 1.275 cents in 1921 to 1.063 cents in 1930. Revenue per passenger mile has behaved similarly, the 1930 figure being 2.176 cents against 3.086 cents for 1921.

While there has been no general increase or decrease of rates since 1922, the voluntary action of the roads and the orders of the Interstate Commerce Commission have occasioned many revisions of specific charges. Under the Hoch-Smith Resolution, adopted by Congress in 1925, the Interstate Commerce Commission was directed to conduct an investigation of the rate structure and particularly to give to agricultural commodities the most favorable treatment possible. To the end of July, 1931, orders had been issued in cases involving ten commodities and sub-groups under this general investigation. In general, the effect has been to establish rates on a more uniform basis. The Resolution was used in 1926 as a reason for denying the request of the western roads for a 5 per cent rate increase intended to bring their earnings closer to the 5.75 per cent standard return, but in 1930 the western trunk line rate structure was revised in an attempt to increase revenues. The Supreme Court limited substantially

the effect of the Hoke Smith Resolution when, in the Ann Arbor case of 1930, it reversed the Commission's order reducing rates on California deciduous fruits, on the grounds that this resolution could not be relied upon to legalize discriminatory or non-compensatory rates.

Since 1925 the Commission has completed a series of class-rate investigations covering the major classification districts. The effects of these decisions are not yet fully apparent, but they have been designed to provide greater simplicity and uniformity and to give more weight in rate-making to the factor of distance. On the basis of past traffic the rates established would yield materially increased earnings.

Under any given rate structure gross earnings depend directly upon the volume and character of the traffic. Freight traffic, expressed in tons originated and carried, was at a high level in 1920, and in ton miles was greater than ever before. In terms of each of these measures traffic fell off by about 25 per cent in 1921. Except for a slight recession in 1924, it increased steadily until 1929, when ton miles were over 447,300,000,000, or 4 per cent more than in 1920. Traffic in 1930, however, fell off sharply. Ton miles were 14 per cent under 1929 and in no week were 5,000,000 cars loaded; in 1929 there were twenty-eight such weeks. Traffic in 1931 is still lighter. The index of car loadings fell to a new post-war low of 72.3 for the second week of June compared with 75.9 for the preceding week and 91.6 for the corresponding week of 1930. In spite of some recovery since that time, total loadings for the first six months of 1931 have been about 18 per cent, or more than 4,300,000 cars, below the first six months of 1930. Over the entire period since 1920 there have been but slight variations in the average length of haul and in the distribution of the traffic by commodities.

Passenger traffic is less important

to the roads, but the decline of passenger miles from the 1920 peak of almost 47,000,000,000 to less than 27,000,000,000 has been serious. The average length of journey has increased somewhat, as has the relative importance of commutation traffic. The greatest loss has been in the decrease of local passengers paying the normal rate of 3.6 cents a mile. In 1920 passenger traffic supplied about one-fifth of the total operating revenue; less than one-seventh of the total came from this source in 1930.

The decline of passenger business is attributable almost wholly to the competition of motor vehicles. The use of privately owned pleasure cars, which have nearly quadrupled in number since 1920, accounts for much more of this loss than does bus operation. It is impossible to determine to just what extent the reduction of freight traffic during the last year and a half has been due to the competition of trucks, waterways, pipe lines, and other transportation agencies. Without question the railways have lost business to these other carriers, but the decline of total traffic due to the business depression has been a factor of much greater importance. It has been estimated that in 1929 the railways supplied 75 per cent of the total ton miles of freight service furnished by all transportation agencies in the United States.

During the last few years there has been much debate over the fairness of the competition between railways and other carriers. Public contributions to the construction and operation of waterways permit the government barge lines to carry freight at rates which cover less than half of the total cost. The increase of railway taxes from 5 per cent to 6.6 per cent of total revenue between 1921 and 1930, and the expenditure of public funds on highway and waterway improvement have been cited to show that the roads are forced to subsidize their competitors. The Interstate Commerce Commission has urged more effective regulation



of motor carriers as an aid to the railroads.

To hold their passenger traffic the roads have experimented with fare reductions and various luxury services and have engaged extensively in motor operation—eighty-one roads in 1930 operated 4,000 buses over 50,000 route miles. Coordination with air transport lines is being developed.

It is in freight movement, however, that improvements in service have been most conspicuous. As substitutes for or supplements to rail service sixty roads operate 7,000 motor trucks. Trucks are used in the concentration of merchandise shipments for movement on scheduled fast-freight trains. Handling has been reduced through the utilization of containers which can be loaded directly onto the cars. The recent approval of store-door and pick-up delivery for New York City calls for the development of this service on a large scale.

Shippers have gained, not only through the greater variety and coordination of services, but by reason of the higher speed of operation and the reduction of terminal delays. Average freight train speed has increased by about 35 per cent since 1920. The decrease in time required for transporting goods has been a factor of real importance in permitting hand-to-mouth buying and the cutting of inventories. Savings from this source have amounted to many millions of dollars annually.

Since 1923 embargoes have been virtually eliminated and surpluses have replaced the car shortages which were formerly so common. In this connection estimates as to car requirements, resulting from the cooperation of railroads and shippers through the Regional Shippers' Advisory Boards, have been of great value. New records have been set in safety of operation and in the reduction of claims for loss and damage in transit.

A remarkable increase of operating efficiency since 1920 helps to explain both the improvement of service and

the behavior of net earnings. The operating ratio—the proportion of operating expenses to operating revenues—has fallen from 89 per cent in 1920 and 80 per cent in 1921 to 71 per cent in 1929 and 74 per cent in 1930. A composite index of technical efficiency computed by the Bureau of Railway Economics shows a 30 per cent gain from 96.5 in 1922, when the roads began an intensive drive to increase efficiency, to 121 in 1929. This index reflects the steady rise to new records in 1929 of such averages as car and locomotive daily mileage, transportation service expressed in the loads and mileages of cars and trains within given time units, condition of equipment as indicated by the proportion awaiting repair, and economy in the use of fuel.

The improved condition of the roads and their utilization of technical developments have been largely responsible for the gain in operating efficiency. In 1929 the railways carried freight traffic greater than that of the 1920 peak by some 37,000,000,000 ton miles, but with 7,500 fewer locomotives, 65,000 fewer freight cars, and a decrease of 18,000,000 in freight train miles. Between these years average car capacity and train load had increased by about 10 per cent. A much higher proportion of the total freight and passenger cars were of all-steel and steel under-frame construction.

More than 20 per cent has been added to the tractive power of the average locomotive as a result of improvements in design and materials. Experiments with superheaters, high pressure steam, mechanical stokers, and roller bearings promise still further economies in fuel consumption, which decreased from 163 pounds per 1,000 gross ton miles in 1922 to 121 in 1930. Although there has been an astonishing increase in the efficiency of the steam locomotive, special operating problems as well as civic considerations have caused the electrification of certain terminal

areas. Present plans call for a great extension of electrified mileage in the metropolitan district between New York and Washington.

The handling and classification of cars and the assembly of trains have been facilitated by the installation of yards equipped with humps and car-retarders, which permit the use of gravity and a reduction of hand braking. Terminal improvements have been widespread, ranging from station and warehouse construction to the laying of additional track. Although railway line mileage is now somewhat below the 1920 total, miles of additional main track and miles of yard track and sidings exceed the 1920 figures by almost 20 per cent. The carrying capacity of the roads has been further increased by a gain of about 40 per cent in the mileage equipped with automatic signals and by the installation and improvement of cab signals, train control, interlocking systems, and signals of the remote and centralized control types. Such devices, by permitting the reduction of headway and train stops and the increase of speed, have contributed greatly to the decrease of road delays. The replacement of unprofitable local trains by highway services or motor-rail cars often permits both a saving in cost and an increase in the speed of through train movement.

Larger and heavier locomotives and cars, greater trainloads, and higher speed of train operation increase the strain upon track, roadway, and bridges. Consequently bridges and culverts have been strengthened, ballasting is deeper and heavier, more ties are used per length of rail and are chemically treated to resist decay, rail fastenings have been improved, and rails themselves have increased in average weight by more than 10 per cent. In 1920 the average rail weighed slightly more than eighty pounds per yard; in 1930 some roads were using 130-pound rails on important main lines.

These changes in the character of

the plant and equipment of the roads have resulted from large capital outlays which, since 1920, have totaled about \$7,500,000,000, divided almost equally between roadway and structures and equipment. Since 1925 the proportion going for equipment has shown a marked decrease. After deducting retirements, approximately \$6,000,000,000 remains as a net addition to capital. Two-thirds of this net increase in investment represents uncanceled expenditure, as total securities outstanding have risen by only a little over \$2,000,000,000. Omitting the extraordinary heavy costs for 1920, maintenance expenses have averaged more than \$2,000,000,000 per year.

In 1930 the 14 per cent decline of traffic caused an abnormal surplus of equipment which was reflected in a fall of the efficiency index to 118.2. Operating revenue was 16 per cent below that of 1929. Decreased earnings led to deferred maintenance and the reduction of maintenance expenditure to about \$1,700,000,000. Traffic, earnings, and maintenance have continued to fall during the first six months of 1931, the latter being about 20 per cent below 1930.

The voluntary consolidations anticipated under the Transportation Act have not materialized. The Interstate Commerce Commission published its tentative plan in 1921 but, despairing of satisfying all the interested parties and finding public sentiment for consolidation decreasing as the prosperity of the roads increased, the Commission asked to be relieved of the duty of preparing a final plan. Meanwhile no consolidations could be effected under the Act. Congress, however, did not accede to the request for a change in the law and the Commission finally issued its complete plan in December, 1929. The most striking development since that time has been the agreement to apportion the lines of the eastern district, excluding New England, among four major systems. It is expected that



this Four-Party Plan will soon be formally before the Commission.

Although technical consolidations were not possible until the Commission agreed upon a plan, combinations have taken place in other forms. The Nickel Plate-Chesapeake and Ohio System has been built up under State laws and under the provisions of the Transportation Act, permitting one road to acquire control of another. Under this and related sections of the Act the Commission has approved, since 1920, applications for the control and operation of approximately one-third of the total American mileage. Still other realignments and combinations have taken place through the medium of holding companies outside the Commission's jurisdiction, some of which run counter to its consolidation plan. The Commission's petition for authority in such cases led to exhaustive Congressional investigations in 1930-1931, and to the introduction of remedial bills which are still pending.

The Railroad Labor Board, which was created in 1920, was unable to deal effectively with the labor difficulties of 1921 and 1922. Its lack of powers and the seriousness of the issues involved were important handicaps. Widespread demand for the abolition of this body was met in 1926 by the passage of the present Railway Labor Act which provides for the investigation, mediation, and voluntary arbitration of labor disputes.

No strikes have occurred since the adoption of this measure. Its provisions have been invoked in a number of cases from which wage increases of from 5 per cent to 7.5 per cent have

resulted. Since 1920 the number of railway employes has been reduced by approximately 20 per cent. Average annual earnings per employe fell from \$1,820 in 1920 to \$1,613 in 1924, rose to \$1,743 in 1929 and decreased to \$1,715 in 1930. The gain of about 20 per cent in productivity per man-hour between 1920 and 1929 was a result not only of capital improvements but also of increased labor efficiency and better morale.

In 1920 it was feared by many that the extension of Federal powers under the Transportation Act constituted a dangerous policy. Inevitably there has been some curtailment of the functions performed by the State commissions, but in large measure the objection has been met by the development of co-operation between these commissions and the Interstate Commerce Commission. Joint hearings are held in cases involving matters of local concern, for instance those relating to the extension or abandonment of services.

The years since 1920 have witnessed a remarkable recovery by the railways. Some of the provisions of the Transportation Act have been of great value, some are just beginning to become effective, others have already been discarded. Traffic, efficiency, and returns reached high levels in 1929. Some of the ground which had been most laboriously gained has been lost during the present depression. Whether the roads will advance again to new levels of public service depends in part upon the course of traffic and in part upon the solution of current problems, such as those of rates, consolidation, and the competition of other transportation agencies.

# The Language War in Belgium

By HENRI LAURENT

*Associate in History, University of Brussels*

[On July 19, 1931, the centenary of the present Belgian dynasty, the House of Saxe-Coburg, was celebrated. Throughout the century of Belgian history, the Flemish-speaking territory, including Flanders, Limburg and Brabant, has agitated for autonomy. Dr. Laurent in the following article discusses the movement of the Flemings and the recent extensive concessions granted them.]

THE Flemish question in its present status is no longer a matter of Belgian politics, but concerns foreigners keenly. What affects Belgium cannot be ignored by students of the political evolution of Europe. Located at the crossroads of England, France and Germany, with a national wealth of \$12,232,000,000, and a great colonial empire, she plays a more important rôle in the destinies of Europe than might be expected of a country comprising only 11,752 square miles and 8,000,000 inhabitants. For some years past the Flemish question has been threatening not only the morale but the material existence of Belgium.

Racially, Belgium is cut in two by an almost straight line, which runs from south of Ypres on the French frontier, north of Liège toward the point where Belgium, Holland and Germany meet. North of this line, in the provinces of West and East Flanders, of Antwerp and Limburg, as well as in Northern Brabant (which takes in Brussels and Louvain), the majority of the population is Flemish, a branch of the Germanic race, speaking the Flemish language and Germanic dialects. South of this line, in the provinces of Hainaut, Namur,

Liège and Luxemburg, as well as Southern Brabant, the majority of the population consists of Walloons, a branch of the Latin race, speaking the French language and Latin dialects. The Flemish are slightly more numerous and significantly stronger in national spirit.

The origins of this curious linguistic frontier go back 1,500 years. In the first century B. C. Belgium was conquered by Caesar and became strongly Romanized. The Roman military engineers constructed a highway which ran eastward across Belgium from Bavai to Cologne, parallel to the Sambre-Meuse. In the time of the Germanic invasions, protected by a chain of blockhouses, it became the line of defense, the front which the Romans opposed to the Germans. Beginning with the fourth century, all the land to the north of the front was abandoned to the invaders and was slowly colonized by the Salic Franks, distant ancestors of the Flemings. All land to the south was sheltered from invasion and colonization, and remained Gallo-Romanic. This is the essential fact which explains why Belgium is still divided into two ethnic groups.

The treaties of 1815, closing the era of the Napoleonic Wars, promised an end to the vicissitudes of Belgium. Uniting under William of Holland the Netherlands of the north and the south, a new State was established and assured of the support of the major powers in its development. Yet it lasted only sixteen years. In 1830 revolution broke out in Belgium and



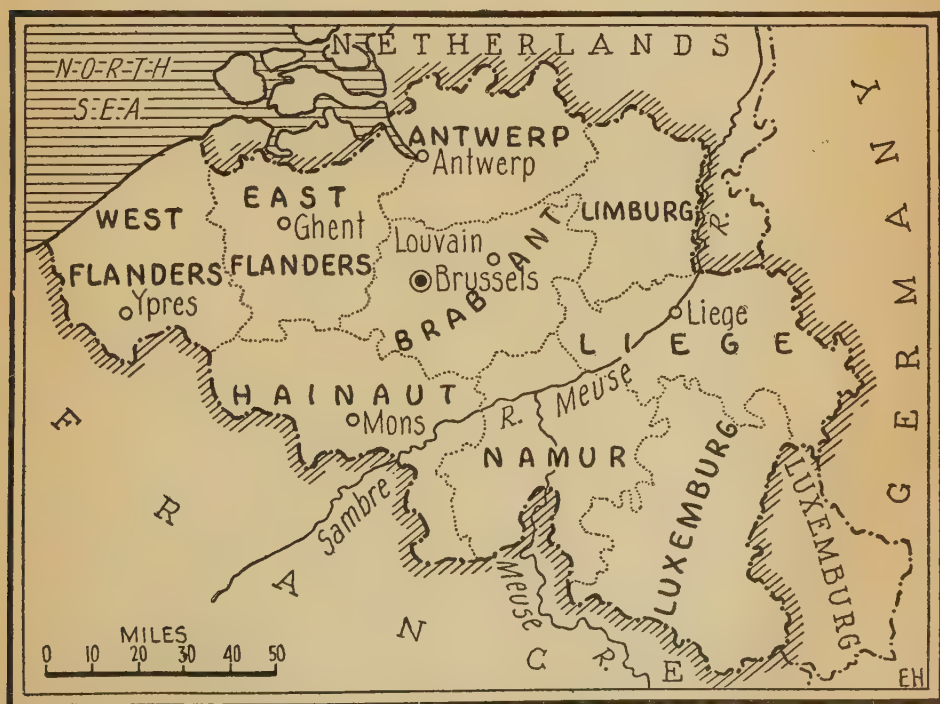
eventually independence was won from Holland by force of arms.

The revolution of 1830 was essentially a reaction against the authority of The Hague. Among the Flemings who participated in it there was no racial animosity, but merely political and religious opposition. Moreover, the revolution was led by Brussels and the Walloon provinces. It was French in its ideology and its inspiration, following within a month upon the July revolution at Paris. It is hardly surprising, therefore, that the Belgian revolution should have established the political preponderance of the Walloons over Flanders.

Out of this situation have proceeded two consequences. At this time there was born and developed the idea that to be Flemish is to be anti-Belgian. Or more exactly, we may say that since the central government decreed the use of the French language all reaction tending to admit the equality

of the two languages came to be interpreted as anti-patriotic, anti-national. The governing classes of the Flemish population have lent more or less weight to this conception. By systematically ignoring the language of the people, they completely failed in their duties for at least seventy-five years. This is too often forgotten today when a point is made of defending "the right" of this class to continue to receive instruction in French. In this sense the Flemish question has been essentially one of classes. The Socialists have comprehended this perfectly, and since the beginning of socialism in Belgium in 1885 it has strongly supported the Flemish movement.

The Flemish movement has its roots in the romanticism of writers and professors, and this origin gives it certain traits which are still perceptible. It proceeds directly from the ideas of German philology as to the function



THE PROVINCES OF BELGIUM

of language as a profound expression of the soul of a people, and from the romantic taste for the past, manifest in the success of the historical novel. After fifty years of concessions the moderate Flemings still cling to the issue of language. "In Vlaanderen, Vlaamsch!" they say. (In Flanders, Flemish.) The use of Flemish as an official language was first sought in 1840; there was a drawing up of memoranda of grievances in 1847, and the appointment of a Parliamentary commission for the study of these grievances. After that, the Flemish tongue was placed on the same basis as French in the courts of Flanders (Coremans Law of 1873, amended four times up to 1908). It was first admitted on equal footing with French in the government of Flanders, then in all Belgium. The teaching of Flemish is officially sanctioned, and even takes precedence over French in primary and secondary schools. In the army all officers and the medical staff are required to know Flemish.

Thus by the time of the World War the Flemings had in forty years won at least a legal victory (we shall presently see the importance of this reservation) of almost complete equality with the Walloons. But the history of the Flemish movement since the war reveals increased bitterness. Far from being satisfied when they won linguistic equality, the Flemings gave new evidence of fanaticism and of hostility toward both the Walloon executives and the government at Brussels. It was claimed that all their grievances had been adjusted only after militant campaigns, directed much more by threat than persuasion, and that their demands had been granted grudgingly.

The Flemish movement has displayed many of the characteristics of a revolution—a peaceful revolution, without bloodshed, but a revolution all the same. Not only does it have its leaders, its press and its defined objectives, but it is animated by the

force of ideas. It is imbued by what Georges Sorel, the revolutionary theorist, would call a myth, that of equality of language. The Flemish University of Ghent, established in 1930, is a realization of this idea of which the Flemish peasants had been dreaming as the Communist workmen dream vaguely of the five-hour day. Furthermore, the Flemish movement since the war has had its party of extremists, which might even be termed, in the phrase of the historians of the French Revolution, its *parti d'enragés*. This party has concentrated in itself all the diffused radical tendencies which existed before the war, and is acting as if it were the spokesman for all Flemings of other parties. It speeds the rhythm of their evolution, forcing them accept the principle of all revolutions: "No division within the ranks!"

In 1914, the Germans invading Belgium by Liège and Luxemburg, overwhelmed the Walloon territory in a few weeks (Aug. 4-23), while Flanders, during the siege of Antwerp and the sallies of Belgian troops from its forts, remained free of invasion for nearly two months. As a result mobilization was more complete in Flanders than in Wallonia and included the young recruits scheduled for 1915, who were enrolled in Flanders and not in Wallonia. In short, there were proportionally more Flemings in the army than Walloons.

When the Germans saw that the war was to be prolonged they instituted a whole series of political manoeuvres designed to create sympathy in the regions which they hoped to annex after their victory. Autonomous Flanders with a Flemish university at Ghent was one of their promises. It was a Machiavellian plan, which, pretending to be inspired by the right of self-determination, seemed to grant Flanders the independence which she had been unable to obtain under Belgium. This attempt collapsed before the loyalty of the mass of the



Flemish people and the express disavowal of the leaders of the Flemish movement, who denied the Germans, under Article XLIII of The Hague Convention, all right to modify the laws of the Belgian State, and promised not to settle the Flemish question except on the platform of "the independence of the Belgian nation." The German manoeuvre succeeded in winning only a small number of Flemish intellectuals, especially a few embittered professors, who reproached Belgium as much with failure to appreciate their talents as with delay in the settlement of the Flemish question.

Another manifestation of the Flemish movement during the war appeared on the battlefield itself and was called "frontism." It was more serious, and the impartial historian must admit that it had some validity. Even at first the Belgian Army contained more Flemings than Walloons, and after the establishment of the front, the disproportion increased. The Flemish leaders have even asserted—without authentic statistics—that 80 per cent of the fighting army was Flemish. Even if this figure were exact, the situation was not created by any distressing prejudice among the staff officers but arose from the fact that the Flemings, coming chiefly from agricultural districts, were assigned mainly to the infantry, which is both the mainstay and chief sufferer in battle. The Walloons, on the other hand, who were usually metallurgists, miners or skilled artisans, were more numerous in the technical divisions—heavy artillery, telegraphy, airplane mechanics. When the war was prolonged these men were in demand for the munitions factories behind the front. On the other hand, since Flanders lacked upper-class leaders, the bourgeois Walloons, men of Brussels, or Flemings of French sympathy, had always been the army officers. After the casualties of 1914 the whole staff of Lieutenants was new, and was composed mainly of

young university students, which is to say, those of French training. It was a fact that the officers knew very little Flemish. But they were patriots; they were even nationalists.

The Flemings at the front carried on secret propaganda in the ranks. In 1917—the year when all the allied armies suffered a serious lowering of morale—this propaganda was responsible for a certain number of desertions to the enemy and the beginnings of mutiny. There was nothing more serious than this. None of the movements affected more than one company of 150 to 180 men. In a larger army than the Belgian, which never had more than 150,000 men, such facts would have been only local incidents. For some time these facts were suppressed, although it may be questioned whether this discretion was wise.

On Nov. 22, 1918, the day of his triumphal return to the capital at the head of his troops, King Albert formally promised the Flemings equality of language and the free ethnic development of Flanders by the creation of a Flemish University of Ghent. The announcement of the reform program is said to have been made partly in order to avoid a revolution, and some justification appears for this hypothesis in view of later events. As soon as the danger was believed to have passed concessions to the die-hards noticeably decreased. The Flemish university, solemnly promised in 1918, did not materialize until 1930.

In all fairness to the government's hesitancy to undertake a settlement of the Flemish question as a whole, it should be said that infinitely more urgent matters—or what were considered to be such—presented themselves immediately after the armistice. The first thing was to recoup the war losses: 50,000 soldiers and several thousand civilians slain, 100,000 buildings destroyed, 250,000 acres torn up or flooded, 3,000 miles of railroad wrecked. The total damage was

estimated in January, 1919, at approximately \$6,500,000,000. Once this first crisis was past, Belgium, like all the countries in the war, underwent a fiscal crisis which reached its height in July, 1926, coinciding with the French crisis, when the franc was quoted at 45 to the dollar. When the fiscal crisis had been miraculously surmounted and the currency stabilized, a new period of recuperation followed, to be succeeded in its turn, since 1929, by an economic crisis. It is a good sign for the future of Belgium that it was the lulls between these critical periods which witnessed the most vigorous Flemish agitation—1922-1925 and 1928-1929. When the general economy of the State is in danger, the Flemish leaders moderate their claims. But, considering its whole course, the Flemish question has been and remains the central question of Belgian domestic politics.

The Flemish sentiment has naturally invaded the three traditional parties, which contain a certain proportion of Flemish members. The Catholic party has always been the party of the well-to-do, conservative bourgeoisie, and since the end of the nineteenth century it has attracted the rural democrats of the same faith. This democratic Catholic wing, which consists of Flemish farmers, is ardently Flemish, often obeying the counsel of the extremists, and itself influencing the rest of the party, by the usual machinery of party discipline. The following table shows the party alignment in the Chamber of Deputies:

	Cath- olics	Lib- erals	Social- ists	Front- ists	Com- munists
1919	73	34	70	5	0
1921	80	33	68	4	1
1925	79	23	78	6	2
1929	76	28	70	12	1

The Liberal party, comprising the intellectual, anti-clerical, bourgeoisie swings perpetually between a right wing of doctrinaires always ready for conservative social policies in collaboration with the Catholics—by which

they acquire more Cabinet places than their numbers justify—and a progressive anti-clerical left wing. As a whole, this is the party which has remained the most impenetrable to Flemish influence.

As for the Socialist party, its name need not unduly alarm the American reader. It is a party of workingmen, not revolutionary, essentially reformist, with a strong backing of syndicates, cooperatives, societies for mutual aid, which bind it more and more to capitalism. As such, it is much nearer the Labor party than the Socialist, a French section of the International. As we have said, the Socialists, calling the Flemish question one of class struggle, have never ceased to support it and be supported by it. From 1925 to 1926 the Socialists and the Flemish Catholic Democrats were in the Cabinet majority. Of late, however, the Walloon Socialists seem increasingly disturbed by the progress of the Flemish extremists and by their influence on the moderates.

As a matter of fact, the Flemings in all the traditional parties are moderates and respect the existing Belgian State. But since the war a new party has appeared. It takes the name of Frontism, the movement born during the war at the front. Its program demands a Federal State in place of the centralized Belgian States, whose sole aim it sees as the subjugation of Flanders to Wallonia, and hence to France. The membership of this party consists of all those Flemings who have somewhat suddenly been seized with a craving for culture after generations of ignorance. But it is none the less true that Frontism constitutes the active wing which sweeps Flemings of all parties along with it, exercising the most unfortunate influence on them, both indirectly and in provincial councils.

From the administrative point of view, progress has been most rapid and satisfactory. The Flemish language, which, since 1898, had been the secondary official tongue, has



been increasingly used and has driven French from the established position which it held in Flanders. The law of July 31, 1921, divided Belgium into two parts, in which all administrative matters are conducted respectively in a single language, Flemish in Flanders and French in Wallonia. Local authorities may add a translation if they wish. The same law obliges the central authority to conduct business in Flemish with the Flemish authorities. In order to belong to the central administration, it is now indispensable to know Flemish, as a result, placing the Walloons at a disadvantage, at least for a generation to come. The observance of this law is honest, as Shepard B. Clough, the American historian, recently noted. But now the Flemings have set a new objective: the complete duplication of all central administration.

The struggle for the establishment of the Flemish University of Ghent has been even more bitter. On this question the future of the free cultural development of Flanders was felt to hinge. Public opinion in Wallonia was careful not to oppose the right of the Flemings to have their own university, but the Walloons suffered pangs at the thought of losing the old French University of Ghent, which had been a noted centre of culture for more than a century. The Flemings insisted on the substitution of the new Flemish university and the suppression of the old French university. They would have no compromise such as the maintenance of the French university at Ghent and the creation of a new Flemish university at Antwerp or even at Ghent. In truth, such a compromise would have had its drawbacks, for Belgium is too small to maintain five great universities. If the existing French university in Flanders were maintained, the Flemings felt that a hostile competition would arise. The conflict was between the principle of Flemish unification by degrees, favored by the Walloons, and of Flemish unification outright,

favored by the Flemings. At length in 1922, after unedifying Parliamentary disputes and street brawls, the principle of Flemish unification by degrees was carried by a narrow majority of four votes. The Nolf law, which enacted this principle in 1923, was carried by a majority of only twelve votes. Irreconcilable Flemish extremists were among the minority, with a number of Walloons, who continued to oppose any attack on the French university. The Nolf law decreed that Flemish should be the official language of the University of Ghent, and that the students should have a choice of two alternatives: one consisting of two-thirds of their courses in Flemish and one-third in French, the other offering two-thirds in French and one-third in Flemish. As a result, the Flemish extremists boycotted the Nolf University, asserting that free development was denied them there.

At last, after a six-year interregnum, Flemish unification was voted at the price of a long Cabinet crisis, which increased the impression of Walloon hostility. Nevertheless, there was an overwhelming majority of 154 to 10, with six members not voting. This enormous majority is evidence that the Walloons are no longer opposing the principle of the ethnical development of Flanders, and also that they are losing interest in the fate of the French minorities in Flanders. The completely Flemish university has opened its doors, and henceforth Belgium will have two systems of education in evolution.

Amnesty for political prisoners has taken the same course of compromise. The activist leaders were sentenced in 1919 by due process of law as follows: Forty-five sentences of death, eleven to life imprisonment, twenty to terms of twenty years, sixteen to terms of fifteen years and sixty-five to miscellaneous lesser penalties. These sentences soon were much modified and none of the death sentences were carried out. The death penalty is still

pronounced in Belgium but is never inflicted. Various measures of clemency followed each other until, seven years after the trials, all the prisoners had been released except one named Borms. This exception was a mistake. By keeping Borms in prison several years after the liberation of the others, because he had boasted of his treason, no crime was committed, as the majority of the Flemings declared, but an error in political judgment, which, according to Talleyrand's epigram, is much more serious. All the advantage of the leniency to the other prisoners was lost and the frontists were given their chance to have a martyr.

On Dec. 9, 1928, in a by-election, Borms, who was still in prison and whom the government had not even bothered to declare ineligible to office, was elected to the Assembly by Antwerp. Under this insulting threat a law of general amnesty was passed. Unfortunately the clemency obtained by threat appeased nobody. In the next general elections twelve frontists were elected to the Chamber of Deputies and four to the Senate. The Frontist party is not numerous (the Chamber has 187 Deputies), but it is extremely active, holds many offices and its elected representatives speak only Flemish in Parliament, a thing seldom known before.

The radical reforms in the army came last. The army, of course, is the symbol of national unity. There was prolonged hesitation over interfering with it, but this delay was not used for any profound study of the complex problem. The solution reached, and now in force, is faulty and provisional. Since 1928 the principle of regional recruiting has been established, by which each soldier serves in his home region. The law requiring officers to have a working knowledge of Flemish has been enforced. Finally, since 1930, things have gone further. The army has been divided. It is not yet a Flemish army and a French army, which would be the end of

everything, but the regiments and units of the corps are either all Flemish or all French or mixed—that is to say, composed of French or Flemish battalions or groups. All the small units—companies, squadrons, batteries—are homogeneous in language, except in the technical corps, such as aviation or transport. As it was difficult to combine this division of the army with regional recruiting, bizarre situations have arisen. It may be asked whether the military staff has fully estimated the consequences of this reform. In the infantry the proportion has remained almost equal, but, on the other hand, in the cavalry and the motorcycle force thirty-three squadrons and companies out of forty-eight are French. It is well known that the cavalry is more generally used in time of trouble. In the artillery two-thirds are Flemish, although the Walloon population comprises a much larger number of skilled workmen than the Flemish. It is extremely difficult to form an officers' training battery in each Flemish artillery regiment. The Flemish semi-intellectuals of these unit schools are affected by the frontist propaganda, as appears in recent incidents, which may well be advance signs of more serious disorders, especially in time of stress.

The verdict as a whole on the concessions made to the Flemings since 1918 can only be harsh toward the successive governments which have ruled Belgium. Not one among them has frankly undertaken to solve the Flemish question, by exhibiting a spirit at once national yet considerate of the ethnical right of Flemings and Walloons. This is not impossible, however. Not one of them has proclaimed a salutary distinction between what is allowed and what is not. Whether intentionally or not, the impression has been given the Flemings that reforms must be snatched one by one, each one conceded at the last moment—a method which may eventually drain the State of all conception of authority.



# Leprosy in the United States

---

By ALDINE R. BIRD

---

[The completion of a \$2,000,000 fund for a fifteen-year program of research into leprosy was recently announced by the Leonard Wood Memorial. Both the large leprosarium at Cullion, P. I., and our National Leper Home at Carville, La., will benefit by the findings of Dr. H. Windsor Wade, Medical Director of the Wood Memorial, who has embarked on a year's world tour to study the disease. Dr. Wade has had sixteen years of experience in the Philippines, nine of them as chief pathologist at the Cullion leprosarium.]

THE mention of leprosy has always been enough to fill the stoutest of human hearts with consternation. Despite the fact that it is one of the oldest diseases in the world, its causative agent was not discovered until 1871, when Armauer Hansen, a Norwegian, isolated the bacillus. As recently as fifty years ago, the curing of a leper was so rare that report of it would provoke widespread discussion. Subsequent progress has enabled leprologists to determine more accurate criteria for cures until, from the National Leper Home at Carville, La., which cares for 300 lepers at a time, eighty-four lepers have been discharged as cleansed. For the significance of this accomplishment, one has only to recall that until a few centuries ago leprosy was considered legal death in England. Upon contracting the disease, a leper was immediately given a church burial service, after which he was isolated forever. His wife was then privileged to remarry and his property divided by law.

The origin of leprosy in America has not been determined conclusively. There is no evidence of its existence

before the arrival of Columbus, but the disease seems to have appeared almost simultaneously with the early settlements and to have, in a measure, developed with them. Much of it was spread by the slave traffic. Cartagena, Colombia, was the centre of the slave market of the Spanish Main, and it was here, early in the seventeenth century, that the first leprosarium of the New World was established. New Orleans, which was an important centre of slave traffic, also became an early centre of leprosy, and in 1778 the disease was considered of such importance as to require the construction of a special hospital for the exclusive use of lepers. As settlements and trade expanded up the Mississippi Valley, leprosy followed slowly but inexorably. A map of old and recent leprous foci in the United States shows the effect upon towns spreading fan-like above New Orleans.

Not all the present-day leprosy in the Mississippi Valley can be properly charged to slave traffic, of course, as there were probably some lepers among the early settlers. Some of the French, who came to Louisiana from Canada in 1765, may have had the disease. Tradition, if not actual history, traces leprosy in Acadia to a French vessel which had been trading in the Levant and which was wrecked at the mouth of the Miramichi River in 1758. The infected clothing, it is said, of the lepers among the crew was distributed among the fishermen. Several Louisiana families, direct descendants of the Acadians, continue to be afflicted with leprosy.

The Gulf Coast is the chief focus of

leprosy in continental United States. Another focus was established in the Great Lakes region by immigrants from Norway and Sweden, and in 1897 numbered 168 cases. Since then it has dwindled to insignificance. In explanation of the failure of leprosy to spread among other inhabitants in the lake district, the late Dr. Hansen naïvely remarked that "the first thing a Norwegian peasant, who is not cleanly, learns in America is to wash himself, and that does great credit to American customs."

The extent to which leprosy is contagious varies with climate and living conditions. According to the United States Bureau of Public Health, a well-nourished individual of cleanly habits, living in a temperate climate, might wear a leper's clothing without much danger, while the reverse might be true in a climate where sweating is profuse and general resistance is lowered by enervating conditions. How leprosy is contracted has not been determined fully, but the medical profession is certain that no one contracts the disease who has not lived in a leprous environment, usually for prolonged periods.

Early in 1930 a conservative estimate placed the number of lepers in the United States at approximately 1,200. Any reliable estimate of the number of lepers who have resided in the United States at one time or another is impossible, because leprosy has often been confused with other diseases which have similar symptoms. Moreover, cases have not been reported consistently to health officials and, in many instances, physicians have hesitated to report leprosy because of the unwarranted hysteria that would have resulted in a neighborhood where no facilities existed for isolation and treatment.

In the Philippine Islands leprosy is much more prevalent, and since 1906 a noble work in behalf of its victims has been carried on by the Philippine Health Service. The scope of this activity was greatly enlarged under

Governor General Wood and carried on after his death by the Leonard Wood Memorial.

The State of Louisiana, in 1894, recognized the necessity of isolating lepers and established a leper home at Carville, which was maintained until Jan. 3, 1921, when it was purchased by the Federal Government and converted into a national leprosarium. Congress had instructed the Federal Health Service on Feb. 3, 1917, to establish such a hospital, but the World War delayed action on the project. A committee was appointed to select a site, but met with strenuous opposition because no State cared to cede territory to the government for a leper settlement. Florida, for instance, objected to having the colony located on Cedar Key Island, north of Tampa, because of the unfavorable reaction on the tourist trade. Finally, Louisiana agreed to sell its leper home, which, under Federal supervision, has been expanded constantly.

Since 1894, 718 lepers have been admitted to the Carville home. Of these, 215 were foreign born, who had entered the United States with the disease in various stages of development. Admissions of native born from Louisiana, Florida, Texas and Mississippi have been numerous enough during the last seven years to establish the fact that in these four Gulf States the disease is endemic. From Alabama, however, only two cases have been admitted, and only a comparatively small number of native born has come from Northern States. Health officials have assumed that the disease is not indigenous in the North.

During the fiscal year ending June 30, 1930, fifty-five patients were admitted to the national leprosarium for treatment. Twenty of them were from Louisiana alone, while Mexico ranked second with thirteen. Texas had five, Russia and Spain two each, while there was one from each of the following States and countries: Alabama, Brazil, British West Indies, California, Germany, Georgia, Hawaii, Indiana, Italy,



the Philippines, Porto Rico, Tahiti and Wisconsin. During that fiscal year seven patients escaped—six of them were readmitted later and one was deported as not entitled to government treatment—twenty-two patients died, one paroled patient returned with renewed leprosy symptoms, and three paroled patients returned for treatment required for symptoms only secondarily related to their former disease. Twenty-three patients were paroled with their leprosy “arrested” and were adjudged to be no longer a menace to public health. Eight additional patients were eligible for parole but, because of deformities which could not be corrected, elected to remain in the hospital rather than be subjected to the hardships and humiliations which were the inevitable outlook for nearly all paroled lepers.

Leprosy respects neither caste nor creed. As many as 115 different occupations have been represented among those seeking cures. Of the 424 lepers admitted from Louisiana since the colony was first established 86 were Negroes and 338 were white. In proportion to racial numbers in Louisiana the evidence of leprosy among whites has been more than twice that among Negroes, although the Federal Health Service has been unable to find any plausible explanation for this. “If unsanitary and unhygienic surroundings were solely responsible for the spread of leprosy,” the department recently asserted, “the proportionate distribution in Louisiana should be the reverse.” The average age for the appearance of the disease has been found to be 30.2 years, while the average age on admission to the Carville institution is 36 years, which, incidentally, is also the average age of the lepers now isolated there.

Medical science has found that leprosy tends to run in families. In a study made by the Federal Health Service of the first hundred cases admitted to the Louisiana Leper Home before its conversion into a government institution complete fam-

ily histories were obtained, and to these biographies was added all subsequent information about the appearance of the disease in other members of these families during the fifteen years that have elapsed since the admission of the hundredth patient.

The 100 original patients were members of 100 families, consisting, besides the fathers and mothers, of 474 brothers and sisters, or a total of 674 persons. The average family consists of 6.7 persons. Of this group of 100 lepers 64 represented instances of only one leper in the family with no further known propagation of the disease, while in the families of the other thirty-six lepers eighty-three additional cases have developed. In five instances the disease occurred in a father and one or more of his children; in fourteen it occurred in a mother and one or more of her children; in fifteen cases the disease was found in sons of lepers; in twenty-one it was found in daughters; in thirty-eight in brothers and in thirty-one in sisters. In addition the following number of other close relations had leprosy: Eight uncles, eight aunts, eighteen nephews, nine nieces, five grandfathers, three grandmothers, six grandsons and five granddaughters. Further statistical studies have tended to confirm the view that leprosy is a family disease.

The story of modern leprosy is dramatically individualized in the celebrated case of John Early, a former leper now “cleansed,” who several times escaped from Carville, and during one of these intervals succeeded in living four years in a cottage on the outskirts of Washington, D. C. At the end of that time, in April, 1927, he went to his old home near Tryon, N. C., from which the Surgeon General of the Federal Health Service received petitions signed by practically every resident in the town, requesting that the execution of the Federal law for the segregation of lepers be suspended in his case and that Early be permitted to spend the remainder of

his days in self-isolation. The Surgeon General declined the petition, and Early was returned to Carville, but not until habeas corpus proceedings, subterfuge and even armed resistance had proved in vain. Now, however, at the age of 54, he has been released as cured, since for more than a year microscopic tests of his blood and tissues have shown no signs of the dreaded leprosy bacillus. Although he bears on his face and body the scars of the disease, he is of rugged constitution and is expected to round out a useful and contented old age. He will continue to be subjected to microscopic tests, but the chances of a relapse are scant, since only one cured leper in ten years has suffered a recurrence.

One of the conditions of treatment against which Early rebelled was the administration of chaulmoogra oil, the injection of which used to cause excruciating pain for several hours until, a little more than a year ago, the Federal Health Service developed a painless treatment by mixing a harmless anesthetic with each dose. Chaulmoogra oil, with which leprosy has

been treated for centuries, is obtained from the roots of a Chinese plant, or from allied oils and their derivatives. While used in routine treatment and considered a valuable adjunct, it is not a specific remedy for leprosy and would be ineffective without other therapeutic measures. Fundamentally, treatment for leprosy is similar to the basic treatment for tuberculosis—abundant food, fresh air and rest.

The latest chapter in the history of leprosy was written on the night of Feb. 11, 1931. Quietly, nine men and two women, ranging in ages from 24 to 60, left the Carville Leprosarium to face a world which at least one of them had not seen for two decades. Each carried a treasure which money could not buy—a certificate attesting that he or she had been cured of leprosy. Their identities were shielded by the strictest of Federal regulations; they left in small groups, at an unannounced hour, to be whisked away from the tall white gates in closed automobiles to near-by railroad stations, where trains carried them back to unidentified homes and to their other lives long laid aside.



# The British Commonwealth of Independent Nations

---

By ROBERT A. MACKAY

*Professor of Government, Dalhousie University, Halifax*

---

THE British Commonwealth of Nations marches steadily down the road of constitutional change. The famous Balfour report of 1926 on interimperial relations defined the position and relations of Great Britain and the dominions as follows: "They are autonomous communities within the British Empire, equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs, though united by a common Crown and freely associated as members of the British Commonwealth of Nations." The report, however, clearly recognized that this definition described not the law but the custom of the Constitution. Changes which have been completed since 1926, or will be within the next few months, will make the Balfour definition more of a reality in law as well as in custom.

The most important changes concern the position of dominion Legislatures. In law the dominion Legislatures are far from "equal in status" with the British Parliament, the sovereign authority of the Empire, whose legislation is paramount to law emanating from any other source. Legally there is no territorial limit to its authority, though there are, of course, practical difficulties in the way of enforcing its will throughout the British Empire. Dominion Legislatures, on the other hand, are subordinate; if a dominion statute conflicts with a statute of the British Parliament extending to the dominion con-

cerned, the legislation in question is null and void—that is to say, no court will enforce it. This principle, known to lawyers as the rule of non-repugnancy, was enforced in the American Colonies when Colonial Legislatures were forbidden regularly to make laws repugnant to the laws of England. In modern times the rule was defined strictly by the Imperial Parliament in the colonial laws validity act of 1865; it still remains a serious practical restriction on dominion legislative power.

The dominion Legislatures are restricted, except by express grant of the Imperial Parliament, from legislating on anything beyond the territorial limits of their particular dominion. As a result, they have virtually no control over their citizens abroad or on the high seas—a situation which makes difficult the enforcement of revenue laws beyond the three-mile limit. Moreover, the royal "veto," though completely obsolete in Great Britain, may still be exercised on dominion legislation. The Constitutions of nearly all the dominions provide for its exercise by "reservation" or "disallowance." Any bills passed by dominion Legislatures may be "disallowed," that is, annulled by the King on the advice of his British Ministers. All dominion Constitutions permit, some in certain cases require, the Governor General to "reserve" for the "signification of his Majesty's pleasure" bills passed by the Legislature; such bills do not become law

except with the assent of the King on the advice of his Ministers in Great Britain. Although since 1873 "disallowance" has never been exercised in the case of any dominion and "reservation" is also tending to fall into disuse, both constitute badges of inferiority on dominion Legislatures.

These restrictions have long been recognized as incompatible with the constitutional status of the dominions, yet not until 1929 were steps taken for their removal. Following a recommendation of the Imperial Conference of 1926, a technical committee representing Great Britain and all the dominions was appointed in 1929 to examine and report thereon. The report of this committee, a very important constitutional document, was accepted by the Imperial Conference of 1930 and arrangements were made to enact it into law.

The committee recommended that dominions which have the power to amend their Constitutions may remove "disallowance" and "reservation" at their own discretion. When no such power exists, as for example in Canada, the restrictions should be removed by the British Parliament on the request of a dominion.

Extraterritorial legislation and the rule of non-repugnancy is to be dealt with by a comprehensive statute of the Imperial Parliament, the Statute of Westminster, which shall go into effect not later than Dec. 1, 1931. The dominion Parliaments are to be accorded "full power to make laws having extraterritorial operation." This statute will place the dominions on an equal footing with sovereign States in the power to legislate for causes or persons beyond their territorial limits.

The Statute of Westminster will repeal the colonial laws validity act of 1865, which defined the term repugnancy, and will declare that no act of a dominion Legislature is to be held void because it is antagonistic to any existing or future act of the Imperial Parliament. The dominion Parlia-

ments, moreover, are to be accorded the power to repeal any act of the Imperial Parliament and no act of the Imperial Parliament is to bind a dominion unless it is expressly declared therein that the dominion has requested and consented to the act. The sole exceptions to these changes are the constitutional acts of Australia, New Zealand and Canada, which are the supreme law of these dominions solely because they were enacted by the Imperial Parliament. If all restriction on repeal or amendment were swept away, these acts would cease to bind the legislatures of their respective dominions. With these exceptions, the Statute of Westminster will make Parliament abdicate as the supreme authority of the empire. Legally, it could, of course, resume this authority, but the likelihood is as remote as the possibility of its legislating for the Colonies which revolted in 1776.

There is an interesting contrast between the present situation of the British Commonwealth of Nations and of the empire before the American Revolution. The Americans contended that they were subjects of the King but not subjects of Parliament, that Parliament had no authority to legislate for their internal affairs, save possibly by their consent. Parliament, on the other hand, maintained in the declaratory act of 1766 that it "had, hath, and of right ought to have, full power and authority to make laws and statutes of sufficient force and authority to bind the Colonies and people of America, subjects of the Crown of Great Britain, in all cases whatsoever." Both sides were victorious in the Revolution; the Americans won the war, while Parliament won the constitutional issue. Since the Revolution, Parliamentary supremacy has been unquestioned in law, though today Parliament never exercises its sovereignty over the dominions without their consent. In 1776, Parliament refused to recognize social facts and, with disastrous re-



sults, insisted on its legal rights. Today Parliament, in the Statute of Westminster, is recognizing social changes and altering the law to conform to them. The new legal position approximates that for which John Adams, Jefferson, Madison and others contended in the eighteenth century.

The new position will entail new methods of meeting common problems throughout the Commonwealth. In the past where uniform legislation seemed desirable, it was obtained by enacting a statute of the British Parliament which would apply to the whole empire. Now supremacy must give place to cooperation. The regulation of merchant shipping, for instance, has depended upon an act of the Imperial Parliament. To replace this without at the same time destroying the advantage of common imperial shipping rule, an agreement has been reached between the various members of the Commonwealth. By this agreement each dominion will embody similar regulations in an act concerning shipping. The agreement, in reality an inter-Commonwealth treaty, is to last five years, and thereafter, until repudiated by any member after proper notice.

Of greater constitutional importance is the matter of succession to the throne and the royal style and title. Succession to the throne has been regulated by an imperial act, and the style and title by Imperial Orders-in-Council. Under the new position, any future change must be agreed to by the members of the Commonwealth as a whole and effected by joint action. This is in marked contrast to the situation in the old Empire. When Maryland passed a statute recognizing the succession of Queen Anne, the act was disallowed on the ground that it was officious and impertinent.

Another constitutional advance of less practical importance, but indicative of the growing autonomy of the dominions, is the appointment of the

Governor General of a dominion. The Governor General has been appointed by the King, on the sole responsibility of the British Government, but the King generally took a personal interest in the appointment, although constitutionally he could bear no responsibility. Of late years the dominions have been advised informally of possible appointees and permitted to raise objection which would stand. Nothing, however, amounting to selection or nomination by the dominion had developed.

When the Governor Generalship of Australia was about to become vacant in 1930, the Australian Government took the unusual step of urging the appointment of its Chief Justice to the post. The British Government hesitated but at the Imperial Conference in 1930 the Commonwealth carried its wish. The conference agreed that a Governor General was appointed by the King on the advice of his Ministers, that the Ministers concerned were the Ministers of the dominion to which the appointment was to be made, and that these Ministers might, after informal discussions with his Majesty, nominate directly the individual they desired to have appointed. Thus the present Governor General of Australia is an Australian, the choice of the Australian Government; Lord Bessborough, the present Governor General of Canada, is the choice of the Canadian Government. Another of the formal evidences of the inequality of the dominions with Great Britain has gone by the board.

Although the dominions actually have participated to a large extent in the conduct of foreign affairs—as in other cases the law has not been altered to meet constitutional changes. Under the law of the Constitution, the King as the formal head of the State appoints Ambassadors, makes treaties, and recognizes other States or governments—acting always, of course, on the advice of responsible Ministers. The entrance of the dominions into the field of foreign relations forced

the development of new customs within the old law. If, for example, Canada wished to negotiate a treaty with the United States, the Canadian Government would pass an order-in-council advising the appointment of a definite individual as plenipotentiary for the negotiation of the treaty. The King would then appoint the person designated and sign the document known in diplomatic circles as the full powers. To this document was affixed the Great Seal of Great Britain. A similar procedure was followed in the ratification of treaties.

As the Great Seal was in the custody of a British Minister and legally could be affixed only on his responsibility, a nice constitutional problem was raised. Was the Minister responsible for this act to the British Parliament, or was he merely acting as a clerk for Canadian Ministers responsible to the Canadian Parliament? Was he empowered with discretion, or was he acting merely under orders of the Canadian Government? Legalists have maintained that the Minister was responsible to the British Parliament since it alone could compel his removal from office; consequently he could and must exercise discretion in affixing the seal. Constitutionalists, on the other hand, pointed to many recent precedents in which the British Government yielded to the pressure of a dominion in treaty-making and allowed its participation in imperial treaties. Moreover, it has been an open secret that the British Government admitted in writing to the Irish Free State that the use of the Great Seal for the appointment of Irish plenipotentiaries or the making of the Free State's treaties would not be withheld by the British Government. Even if this view of the case were correct, there was no guarantee that some officious British Minister some time

might not refuse the use of the seal. Against him the dominion would have no constitutional remedy.

The Gordian knot has been cut by the recent announcement that the Free State has been granted a Great Seal of its own. On one side is the King's head, as on the Great Seal of Great Britain, while the Harp replaces the Lion and the Unicorn on the other. In the conduct of the Free State's foreign relations the new seal will supplant the Great Seal of Great Britain.

Apparently under the new procedure if Ireland desires to appoint plenipotentiaries or to ratify treaties the King may be advised directly by his Free State Ministers to sign the necessary documents, and an Irish Minister responsible to the Parliament of the Free State will affix the seal. This change at once removes all possibility of dictation by the British Government and raises the status of the Free State to formal equality with Great Britain in the conduct of foreign affairs. Probably the Irish seal will create a precedent which the other dominions may follow.

These three developments—the removal of legal restraints upon dominion Parliaments, the selection of the Governor General by the dominion concerned and the extension to the dominion of formal powers for the conduct of foreign affairs—go far toward the recognition of a formal equality of position within the Commonwealth. Politically, by removing almost the last vestiges of imperial control, they demonstrate more clearly that the real bond of unity in the British commonwealth of nations is not force of law but will. Whether this is a cement strong enough to stand the stress of time remains for some future historian to chronicle.



# Unemployment—A Challenge To Industry

---

By ALBERT C. RITCHIE\*  
*Governor of Maryland*

---

AMERICAN industry is doubtless doing all it can to dig itself out of the present depression. It is taking on new men when it can justify them, not laying off old men when that can be avoided, doing future work now wherever possible, staggering employment, shortening the work period, thinking up new forms of labor when machine power supersedes man power, and in general working out all the plans it reasonably can for getting on its feet again and providing work for the millions who need it and want it and cannot get it. But industry has no right to stop there.

Our prosperity, when it returns, will some time be followed by another period of industrial depression, and it is the duty of industry now to put its mind to work on ways and means of relieving the distress of unemployment when it comes again. It may be, as President Hoover said in his Indianapolis speech, that in passing through fifteen major depressions in the last century, "we have learned something as the result of each of these experiences." But we did not learn enough to avoid or mitigate the distressing effects of this present depression on American labor. From six to eight million men and women are out of work, and whatever we may

have learned from past experiences has not helped them to get work.

Industry builds up depreciation and obsolescence funds to care for its plant when that needs repair or wears out. It maintains sinking funds so that its bonds may pay interest and be redeemed. It sets aside a surplus from which dividends may be paid when times are hard. It looks out for its plant, for its bondholders and for its stockholders, but when business is bad, generally speaking, it cuts down its labor, turns it adrift and bids it look to citizens' relief committees for the necessities of life.

The fruits of business cannot be ascribed to either capital or labor alone. Both are essential. Labor has no right to claim all the fruits of production as the work of its hands, but neither has capital the right to appropriate these to itself as the work of its head. There is such a thing as economic and social justice, and this demands that industry which benefits from labor in days of prosperity should make some adequate provision for that same labor in days of adversity. Just as industry has worked out the problem of protecting its labor against accident and injury, it should likewise work out the problem of protecting its labor against involuntary unemployment.

In many States there are already movements, more or less advanced, for compulsory unemployment insurance. The American Association for Labor Legislation is now giving wide

---

\*This article is based upon an address delivered before the Virginia State Bar Association, at White Sulphur Springs, on July 30, 1931.

circulation to the draft of an act already proposed in the several States, which provides for an unemployment reserve fund to be raised in much the same way as State accident funds are raised. The Federal unemployment insurance bill will be before Congress when it meets next December. This question of unemployment insurance is by way of becoming one of the permanent public issues before the American people.

In eighteen other countries of the world unemployment insurance plans are in operation: Australia, Austria, Belgium, Bulgaria, Czechoslovakia, Denmark, Finland, France, Germany, Great Britain, Irish Free State, Italy, Netherlands, Norway, Poland, Russia, Spain and Switzerland.

The British system, established in 1911, was the first national compulsory unemployment insurance plan undertaken by any government. In the beginning it covered only a few industries and about 2,250,000 workers. It got off to a good start. Business was prosperous, and when the World War came there was practically no unemployment. Thus by 1920 a surplus fund of \$100,000,000 had been built up. Then widespread unemployment came, and in the effort to relieve it and to look out for groups of political constituents each Parliament seems to have vied with its predecessor in extending the act so as to bring more and ever more workmen under it. This necessitated tremendous drains upon the National Treasury.

Now the 2,250,000 insured have grown to 12,000,000, which is practically the entire working population of England, excluding, as the act does, only agricultural laborers and domestic servants. The surplus has been used up, contributions from employers and workers have been greatly increased and the advances from the government now aggregate over \$880,000,000, a considerable part of this represented by loans from the treasury, which in all probability will never

be repaid. During the past ten years the total cost of the system has been almost \$2,500,000,000.

So far has the system degenerated that almost anybody out of work can demand a job as good as the best he ever had, and if he does not get it he may draw and live on insurance benefits paid from the national treasury and from other people's money. Politicians are finding that it is no longer political suicide to attack the system. Since last December, in fact, a royal commission has been at work trying to find out how the fund may be made solvent and self-supporting and how the unemployed who are capable of work and for whom work is available may be made to work. Mr. Snowden, the Chancellor of the Exchequer, announced on Aug. 1 that the new budget will show a material cut in the allowance.

The German system, established in 1927, covered about four-fifths of the working population. At first farm labor and home workers were included in the benefits, but this proved so expensive that they were soon eliminated. By January, 1929, the fund became insolvent and had to borrow from the national treasury. Within a year the government's advances reached \$80,000,000, and in April, 1930, the Reichstag voted to cancel the existing government loans and make a fresh start. It then granted an annual subsidy from the treasury equal to one-half the deficit each year, the other half to be made up by increased contributions from employers and employees. Under this plan the government's subsidy for 1930 was over \$48,000,000.

Although it is too early to judge the final results, the whole plan is generally conceded to be unsatisfactory and to impose an incubus on the treasury from which the German Government must be relieved.

The difficulties which the British and German Governments have thus far been unable to overcome are of a very practical character. No one



should share unemployment benefits if he can obtain "suitable employment" or "employment for which he is reasonably fitted." But under what circumstances should an applicant be required to accept work in another locality, or in another trade than his, or in a poorer job or at lower wages? How can it be determined whether the applicant is really trying to get a job but cannot find one? In England they sought to solve this problem by requiring applicants to report daily to employment exchanges, but this was unpopular and did not work. Now the applicant is allowed to draw benefits until he is offered a job which, under the rules, he must take. Obviously this is not practicable, and so far no test has been devised to show whether or not the applicant has honestly tried to get a job.

There are, moreover, serious actuarial difficulties in the way. Because of the impossibility of predicting when hard times are coming and how hard they will be and how long they will last, it has proved impossible to fix rates in advance which will create an adequate reserve fund. Any arbitrary rate will raise a sum which can be used as long as it lasts, but unemployment insurance contemplates paying benefits during the entire period of the depression. That risk appears to be almost an uninsurable one, and when the fund turns out to be too small, as it always seems to do, then contributions from employers and workers must be increased, and the public treasury is called upon to carry a large share of the deficit.

This means that the burden of financing the fund is no longer limited to the employers and the workers covered by the law. Through the public treasury, it falls upon the general taxpayers of the State, large groups of whom are not insured at all, but must pay into the pool without receiving any benefit from it.

In England there are 12,000,000 workers insured, but it is said there are 15,000,000 more, including all

farmers, who are not within the benefits of the fund. Yet they must contribute to it through taxes.

No compulsory plan has yet been tried in the United States. But it is only the part of wisdom and sanity to remember that in the compulsory plans tried in other lands there lurk the dangers of waste and graft, of favoritism and exploitation, and of huge deficits which the public treasury must carry. In compulsory unemployment insurance there is danger of a bureaucracy so great that it would outbureaucrat all our others put together. We must also ask ourselves whether such plans square with the ideals of personal initiative and self-reliance and with the spirit of individual and collective enterprise which has brought our country to world leadership and is still our greatest hope for the future.

Clearly, those consequences are at the least latent possibilities unless, before it is too late, American industry rises to its obligations of economic leadership and meets the situation itself. Industry's obligation to the labor which assures its profits in good times is not to turn that labor adrift in hard times.

The intervention of government in business is largely a political intervention, and business should be as free of it as possible. But unless industry realizes that this problem of unemployment is primarily its own it is going to find government undertaking to solve it. This would put government in business more than it has ever been.

Industry exclaims against a dole for unemployed labor. No sensible person wants a dole. But one seldom hears industry protest against paying dividends from reserves when capital is idle. The protest one hears is against a reserve for labor when labor is idle. If industry has the right to maintain reserves against reduced dividends in hard times, then it should provide reserves against reduced wages in hard times.

The government is already deep in the subsidy business. It spends huge sums for flood relief, drought relief, farm relief, veterans' relief, and what not. Compulsory unemployment relief will be next, unless industry itself steps forward and tackles the problem.

A nation's supreme obligation is to protect its citizenship. If its citizens are threatened or attacked, government must protect them or defend them. If they are naked, and can be clothed in no other way, government must clothe them. If they are starving, and can be fed in no other way, government must feed them. If they are unsheltered, and can be housed in no other way, government must house them.

Under our theory of government people must care for themselves if they can, and when they cannot the community must take that responsibility. Citizens' relief committees have gone almost as far as they can. New York City raised \$8,000,000 by voluntary subscriptions last Winter, and this has all been spent. What will it do next Winter? Chicago raised \$5,000,000, and the president of the United Charities there said recently that "thousands of Chicago families are facing the disaster of hunger, cold and illness." Pittsburgh has been trying to raise \$3,000,000 as a fund for needy people, and Philadelphia asked \$5,000,000 to complete its last Winter's relief fund.

All this has been in addition to regular community chests, which last Fall raised \$42,000,000 in 122 cities, 10 per cent more than in the previous year. Yet the director of the National Association of Community Chests and Councils said of this great sum that if it "cares for 1 per cent of the wage loss it is doing well."

Far-seeing industries are already beginning to tackle the problem. Some labor unions maintain unemployment funds for out-of-work benefits. These are largely in the printing trades and cover about 35,000 workers. There are

joint agreements between manufacturers and the unions for unemployment benefits to union members. These are largely in the garment trades and cover about 65,000 garment workers.

About fifteen large industries have unemployment reserve funds of their own, covering about 150,000 workers, among them the Dennison Manufacturing Company of Framingham, Mass.; Leeds & Northrup of Philadelphia; the General Electric Company; the Brown & Bailey Company of Philadelphia; Procter & Gamble of Cincinnati, and the Fond du Lac Companies of Wisconsin. Recently a group of large industries in Rochester, N. Y., combined to set up a coöperative reserve fund for unemployment relief in their own industries.

These efforts promise not only relief in periods of unemployment, but a permanent and devoted group of employees. They are free from the dangers of political influence, and place the burden where it ought to be—on the industry which reaps the fruits of the labor, and not on the public treasury. They are in the spirit of American initiative and self-help.

We are at the crossroads. Not the American people but American industry must choose the way. No thinking person wants the State or the nation to provide for labor in times of enforced idleness, if industry will recognize and fulfill its obligation. Along one road lies the opportunity for initiative and constructive effort on the part of American business to discharge its responsibilities to the labor whose toil and sweat in the shop is as essential as the brains and directing hand at the desk.

Along the other road lies the ultimate certainty of legislation which may prove hurtful to business itself and to the community, a drain on the public treasury, and a departure from American institutions. Fortunately, there is still time to choose wisely. But if business will do nothing about it, then government will.



# Agriculture's Industrial Revolution

---

By WAYNE GARD

---

COUNTLESS American farmers in the wheat-growing country are agitating against the corporation-owned farm and the chain farm. They see visions of gigantic tractors driving them and their families from the land, crushing the enterprises on which they have spent their best years, converting farms into factories with time clocks and wage slaves. The wheat growers have been mobilizing, determined to drive out the corporation farm, which they view as an ogre of Wall Street. They blame the factory farm for their troubles and, as usual, they beseech the politicians for relief, calling upon the lawmakers to save the rural homestead.

Weather-wise holders and seekers of public office have been quick to respond. In Kansas the maintenance of the family-size and family-managed farm was one of the chief issues in the election campaign of 1930. Since then a similar agitation has arisen in Nebraska. In the Legislatures of several States bills have been introduced to block the development of corporation farming. Kansas has passed an act against the granting of charters to farming corporations, and—directed by a resolution of the lower house—the Attorney General has filed the first of a series of ouster suits against such corporations now in operation.

The large-scale farm is opposed mainly on emotional grounds. It is attacked not because it is thought to be unprofitable, but because it threatens to remove the last bulwark of Ameri-

can individualism. This argument was worked hard by Kansas editors and political orators in the campaign of 1930 after the State Republican platform had bluntly opposed corporation farming. "The maintenance of a family the year around by the individual farmer," the voters were told, "is not the overhead of farming. It is the overhead of civilization. Replace individual farmers with floating farmhands employed for a few months in the year and you may as well nail shut the doors of the churches and the institutions of learning. Individual farmers, not floating farmhands, rear children and give them opportunities for scholastic education."

The alarmists have found new arguments in the preliminary returns of the 1930 census. These figures show that, while in 1920 the United States had 6,447,333 farms, the country had only 6,296,864 farms in 1930. Twenty-three States gained in the number of farms but twenty-five States lost. The shrinkage, generally accompanied by a decline in farm population, occurred in New England, most of the Atlantic Coast States, the mid-Western States east of the Mississippi and, west of the river, Missouri, Montana and Idaho. Ohio lost about 37,000 farms in the decade; New York, 33,000; Pennsylvania, 30,000; Michigan, 26,000.

By no means, however, did all of the disappearing farms go into combinations. A large, but as yet undetermined, number were abandoned or surrendered for delinquent taxes; the

status of many of these farms remains uncertain. Of the land given up for taxes during the last decade—land estimated as high as 100,000,000 acres—some may eventually be reforested or converted into State parks.

In the wheat belt, where large-scale farming has made its greatest inroads, all the States except Idaho and Montana have increased their number of farms since 1920. Minnesota gained 7,000 farms in the decade; North Dakota, 360; South Dakota, 9,000; Nebraska, 5,000; Kansas, 800. Yet it is in these States that corporation farming has become a burning political issue. The explanation is that the increase in the number of farms has resulted mainly from the cultivation of land formerly devoted to grazing.

Generalized census figures fall short, of course, of telling the whole story. The application of factory principles to agriculture already has been successful in enough cases to threaten the survival of the family-size farm in the wheat belt. In the production of other crops a change in methods appears less imminent, but in the raising of wheat there is considerable evidence to back those who believe that large-scale farming, whether for better or for worse, is bound to prevail in the next generation.

The family farm itself has been enlarged gradually for several decades. In recent years this increase in size has been spurred by the necessity of meeting low prices for farm products and has been facilitated by new labor-saving farm machinery. In 1910, Logan County, Kansas, contained 809 farms averaging 562 acres each; in 1925 the same county had 582 farms averaging 911 acres each. A similar shift, though not always so pronounced, has been taking place in many parts of the plains region. Before the World War, Montana had 35,000 wheat farmers; now 14,000 plant a larger acreage.

Corporation farming is mainly a post-war development. As far back

as 1924, however, 8,275 corporations were engaged in farming in this country. By 1928 the number had increased by another thousand, and since then the corporation farm has grown steadily. There has been an increase, too, in the size of the corporation farms. In the Wheat Belt today several corporations are operating farms ranging from 40,000 to 75,000 acres each, while in Montana the gigantic Campbell farm spreads over 95,000 acres. On an average, the large-scale farms have not yet made profits conspicuously higher than those of the family-size farms. An inquiry made by the Agricultural Service Department of the Chamber of Commerce of the United States, published in 1929, showed that the big farms, whether owned by corporations or by individuals, varied widely in their returns. As a group, they appeared neither more nor less successful than the farm of average size.

This study showed that the large-scale farms had advantages in superior management, more efficient utilization of machinery, specialization of labor, buying and selling in wholesale quantities and, in some cases, reduction in overhead expenses. These advantages tended to be balanced, however, by several handicaps: the difficulty of securing efficient labor and the impossibility of adjusting machinery to all the fluctuation of seasonal and weather conditions. Furthermore, the nature of farming prevents as effective use of machinery and as detailed specialization of labor as obtains in many factories. Perhaps it is only natural that no employe of a farming corporation is likely to work as hard or as long as the one who serves himself or his father.

While the large-scale farms as a group have effected no noticeable reduction in the cost of producing wheat or other farm crops, some individual corporation farms have succeeded to an extent that greatly alarms their opponents and encourages those who as soon as possible would shift farm-



ing to a factory basis. This success, mainly in wheat, has been attained by adopting scientific management and by taking full advantage of up-to-date farm machinery.

The industrialized aspect of such farming may be partially realized by noting that forty caterpillar tractors, thirty combines, several hundred tillage machines and numerous trucks are employed regularly by the Wheat Farm Corporation of Kansas City in the cultivation of its 75,000 acres. Most of the work is done by men hired for only two or three months a year. These men observe an eight-hour day and punch time clocks on their tractors. Here as elsewhere when it is necessary to work in three shifts, large lights illuminate the prairies at night.

The largest wheat farm in the United States—though now surpassed five times in Russia—is the 95,000-acre area in Montana cultivated by the Campbell Farming Corporation, organized by Thomas D. Campbell in 1921. Only about half of this land is cultivated each year; the remainder is allowed to lie fallow for use in the following season. The ground is also seeded more thinly than is usual. The main crop is Winter wheat, but some Spring wheat and flax are grown also. In 1931, because of the low wheat price, Mr. Campbell planted no Spring wheat but gave more space to flax.

Mr. Campbell, a trained engineer, has been raising 500,000 bushels of wheat a year by the use of thoroughly industrialized methods. All the work is done by power machinery, operated by skilled workmen. Gang plows are pulled by fifty-two tractors with three shifts of operators. This method makes possible the plowing of 1,000 acres a day and has reduced plowing costs to \$2 an acre. Planting is done with 100 seed drills, which together are capable of seeding 3,000 acres in a single day. Harvesting and thrashing are carried on at the rate of 300 acres a day by the use of twenty-three combine harvesters, eighty ordinary binders and

eleven thrashing machines. A grain dryer, invented by Campbell, lessens the loss of green grain in storage. The wheat goes to market in wagon trains pulled by tractors. The farm is without live stock.

Campbell operates his farm in units of about 10,000 acres and employs skilled help rather than transients. His men are paid higher than the prevailing rate and are carried to work in automobiles from the unit headquarters, which are about five miles apart. The corporation has given 20 per cent of its stock as bonuses to managers, foremen and other employes.

The value of the Campbell farm as a demonstration of what can be done elsewhere by large-scale production is lessened by the unusually favorable conditions under which the land is leased. The land belongs to Indian tribes and is rented from the Department of the Interior on a basis of one-fourteenth of the gross return. This arrangement has been criticized as amounting to a government subsidy, and the failure to fertilize the soil has been condemned as reducing the value of the public domain.

The proof of the economy of industrial farming does not, however, depend on any single example. Some of the corporation farms in Kansas now claim to have lowered the cost of raising wheat to 46 cents a bushel—in some exceptional cases to 26 cents. And at his farm at Dearborn, Henry Ford has reduced the essential operations to fifteen days a year without allowing the productivity of the land to decline.

In corn-growing sections farming is so diversified that large-scale production would be extremely difficult. Corn raising is becoming more mechanized by four-row planting and cultivating equipment, the two-row corn picker, and now the corn combine which picks, husks and shells the corn, cuts and grinds the stalks all at the same time. In nearly all cases, however, the corn farmer is also a live-stock farmer, and, except for the milk-

ing machine, little has been offered to reduce the human labor required in raising live stock. Haymaking also continues to draw heavily on hand labor. Perhaps eventually industrial farming will produce live-stock feeds so cheaply that those who raise live stock will find it advantageous to buy feed instead of growing it.

Already, however, the corn belt has been invaded by the chain farm system, a plan under which a group of ordinary farms is managed by a single person or a corporation. The family-size farm is thus preserved, but the larger policies of management, the buying of supplies and the marketing of crops are supervised more or less closely by some one who does not live on the farm. Variations of this plan have been common in the cotton-growing areas of the South since the close of the Civil War.

Many of the owners of these chain farms have taken up agriculture involuntarily. Individuals, banks and insurance companies have acquired farms through mortgage foreclosures, and, rather than sell them in an unfavorable market, they have hired graduates of agricultural colleges to manage them, hoping for higher land prices later. Thus, the Aetna Life Insurance Company has been operating by supervised tenantry about six hundred farms in the Middle West. In Illinois, the Citizens' National Bank of Decatur has been managing twenty-eight farms with a total of 10,000 acres and the Citizens' State Bank of Champaign has been responsible for thirty-two farms aggregating 7,500 acres. In the plains region, many farmers now want to use the taxing power to force such owners to dispose of their land.

During the last few years—particularly in Illinois, Iowa and Minnesota—the owners of single, family-size farms have been able to effect some of the economies of chain farming by contracting for service from one or another type of farm management agency. Such agencies, organized for

profit, offer service which ranges from the giving of periodic advice to the responsible management of the farm. This managerial service appeals especially to absentee owners and those who are too busy to look after their farms, but the average farmer is still unconvinced that the assistance adds enough to his income to pay for its cost.

Thus far the controversy over corporation farming—a term which farmers generally use to cover all types of large-scale and chain farming—has resulted in more heat than light. The family farmers appeal to their lawmakers to push back the wave of industrialization, and publicly the politicians agree with their views. President Hoover, in accepting the Republican nomination in 1928, assured the nation that farming "must continue to be an individualistic business of small units and independent ownership." Senator Arthur Capper of Kansas appears less sure, but more belligerent. "Corporation farming is a bad public policy," he declared recently. "It is dangerous. I am strongly opposed to it. Every farmer and every business man in rural America and every worker in the big industrial centres should oppose it. I feel that we are justified by the facts as known, and the possibilities of the future as indicated from those facts, in using every proper means to nip this corporate farming development before it gets firmly established."

Many leading economists, however, take an opposite view, maintaining that industrialized farming is both inevitable and desirable. Henry Ford believes that the individual farmers will be succeeded by large corporations or by cooperative groups. "The moment the farmer considers himself as an industrialist," he says, "with a horror of waste either in materials or in men, then we are going to have farm products so low priced that all will have enough to eat, and the profits will be so satisfactory that farming will be considered as among the



least hazardous and most profitable of occupations."

What makes this apparently rosy prediction so gloomy to most farmers is the implication that industrialized farming will greatly reduce the present farm population and will be instituted mainly by people who are not now engaged in farming. The prospect of being driven from the land by a capitalist with ample funds and factory methods naturally is unpleasant to the present-day farmer and his family. Yet further industrialization must come largely from city financiers, for the present farmers are notoriously short of surplus funds.

The example of Russia is an incentive to large-scale production in wheat farming. In seeking to regain her pre-war position as the world's largest exporter of wheat, Russia is mechanizing wheat raising and instituting mass production, both through the merging of small farms and through the utilization of vast marginal areas previously used only for grazing. In the plains of North Caucasus one Russian wheat field extends to nearly 500,000 acres.

Until recently, nearly all implements were fitted to the needs of the family-size farm, but farm machinery is now being designed especially for large-scale production. The availability of such equipment is bound to spur the growth of corporation farming.

An even stronger motive for industrialized wheat farming is the necessity of meeting low selling prices with low costs of production. All prospects point to continued low wheat prices for a number of years. In the United States the attempt at voluntary restriction of planting has not succeeded, and, except for a few poli-

ticians, hardly any one predicts that it will succeed. The attempt made at the recent London conference to impose international regulation on the disposal of wheat surpluses has failed, for the present at least, mainly because of the uncompromising American position. This situation leaves the wheat farmer in America and elsewhere little alternative except to lower production costs if any profit is to be gained from this investment and labor. To effect lower production costs there must be more highly industrialized farming, if not actual corporation farming.

The prospect of factory methods being used throughout the American wheat belt has social implications comparable to those of the industrial revolution. It involves the further depopulating of the plains and the virtual passing of the rural homestead. It raises new problems of education and of social life, and threatens to solidify class barriers as well as to remove what has been looked upon as the last vestige of American individualism. This revolutionary change, though it may be inevitable, and may be invulnerable to the barbs of farmer-controlled legislators, will come so gradually that there is little doubt that its economic and social upheavals can be dealt with as they arise. Just now there seems little occasion for the loud alarms from Kansas and Nebraska. The facts suggest that the energy spent in seeking political aid against the hated corporations might be utilized more profitably in studying the industrial farm's economies and applying them, where possible, to farms now cultivated by old-fashioned methods.

# Social and Industrial Progress In Scandinavia

---

By SVEINBJORN JOHNSON  
*Professor of Law, University of Illinois*

---

A REVOLUTION is quietly taking place in the Scandinavian North. The theory on which Henry George based much of his argument has gradually become a fixed government policy within limits which are steadily expanding. The government of Denmark is nominally socialistic, yet there is perhaps more of the essence of socialism in the actual policies of the capitalist governments of Iceland, Norway and Sweden. They have not gone all the way, but they have definitely taken the stand that certain natural resources shall never become the subject of private exploitation at the expense of the interests of the State. These facts are set down without commendation or criticism.

In Norway municipalization of industry is steadily advancing, and the State itself is driving the wedge of socialism into the economic structure. Electrification of rural districts resulting from government control of power is more general in Norway than anywhere else in the world, more than \$260,000,000 having been expended for this purpose. Fully 75 per cent of the inhabitants use electric power, and it is planned that 94 per cent will soon enjoy its comforts.

Norwegian municipalities are very heavily indebted, due to ambitious schemes for controlling water power. Out of a total debt of more than \$402,000,000 in 1929, over \$187,600,000 represented debts contracted by municipalities in connection with electrical

work. There are about 700 towns and districts in the country, of which 134 have formed intermunicipal electrical works operated for mutual benefit.

Since 1900 the settled policy of the government has been to control the distribution and prevent all concentration of and speculation with natural resources. Foreign capital and influence have been discouraged. According to this policy, the agricultural, pasture and forest resources of the nation ought, as far as possible, to be owned, controlled and operated in the parish for the use of the farmers.

Important legislation concerning natural resources and based on these principles dates from 1906. Recent law-making concerns the disposition of forest land, mountain tracts, peat bog areas, limestone deposits and the like. These acts are commonly referred to as the "concession laws."

A private individual or company must obtain a license from the Crown in order to acquire a waterfall capable of yielding natural horsepower in excess of a certain unit. Norwegian companies, operating with Norwegian capital, may receive concessions for this purpose. In special circumstances foreign citizens, and foreign corporations, managed by residents of Norway and comprising a majority of Norwegian subjects, may obtain concessions for fifty or sixty years, with the consent of the Storting, and subject to stringent public regulation. The concessionee agrees to deliver a



specified quantity of power to the municipality at reasonable rates, and sometimes to other municipalities, as well as to the State itself. The grantee of the privilege must pay an annual tax to the State and to the municipality. When the concession expires the plant and falls become the property of the State with complete ownership and without compensation. Even before the concession expires the government may take possession, but it must then pay according to specified rules, a policy which is also advocated by the Social Democrats of Germany.

Norway's policy of conservation of its immense power resources is in marked contrast to the tendencies of power development in the United States. Dominance over power here is gradually passing into the hands of small groups through a pyramiding of corporate control. In Scandinavia, under a conscious national policy, the precise opposite is true.

The water power resources of

Sweden are said to total over 8,000,000 horsepower. One-fourth, representing approximately 32,000,000-kilowatt hours of available power, is under government ownership. Of the remaining three-fourths originating in Northern Sweden only one-fifth has been put to work. The government operates a huge hydroelectric station at Trolhättan, about fifty miles north of Gothenburg, and another at Porjus, Lapland, nearly thirty miles north of the Arctic Circle. The government-owned railroad, which connects Luleå with Narvik on the west coast of Norway, is electrified, the power being furnished from the government station in the North. Gothenburg and Stockholm are connected by an electrified railroad operated from the same source. Sweden also owns stations at Lilla Edet, Alvsjäl and Motala, and a steam reserve plant at Västerås.

In order to utilize these power resources equitably, a national trunk line system has been planned of which only the western line from Trolhättan to Västerås has been completed. Through this, and the line from Trolhättan to Alingsås, which is under construction, stations in the central and western sections have been joined, and cooperative connection has been effected with several private plants.

Railway electrification is essential because of the scarcity of fuel. Electrical energy and water power are making possible independent industrial expansion without necessitating the importation of more coal.

Approximately one-ninth of all electrical energy in kilowatt hours is used in the home and for farming purposes, whereas one-half of the total output is used in industry. The selling value of the products of power was recently estimated to be over \$38,000,000. Private monopoly of natural resources, with unrestrained exploitation for private profit, has no place in Sweden's present economic policy.

While most of the smaller countries of post-war Europe experienced diffi-



The Scandinavian Peninsula

culty in financing their governmental and industrial operations it remained for a Swedish-born, American-trained engineer, Ivar Kreuger, to capture a world market for Sweden. The story of Ivar Kreuger, once the match king of Sweden, now the match emperor of the world, collecting tribute from four continents, seems more like an allegory than the narrative of an actual business career. Today, at 46, the man who came to the United States thirty years ago with a capital of \$100, has become the controlling genius in corporations — one the International Match Company, a Delaware corporation—owning more than one hundred match manufacturing plants in countries of Europe and South America.

Kreuger's method is simple. He obtains a foreign concession in return for loans or through the purchase of bonds by himself or his company. A country which needs a loan and wishes to obtain it from a company controlled by Mr. Kreuger enacts a law creating a State monopoly, in manufacture or sale of matches, or both, and also involving the right of import, or export, or both. Local conditions determine the details. The right to carry on the business is leased to the Swedish Match Company, or to a corporation locally organized. The lessee, if a local concern, is affiliated with and controlled by the Swedish Match Company. The lease is usually for a period of thirty-five or forty years.

In return for such a monopolistic privilege the Swedish company makes a loan to the government of the country upon the amortization plan, to be paid in full at the end of the monopoly period. The privilege runs concurrently and conjointly with the loan. Annual payments for the privilege are so arranged as to retire the loan contemporaneously with the expiration of the monopoly. A certain annual privilege fee is paid the government, which thus derives a profit from the grant. These terms are set forth in detail in a contract between the government of the country concerned and the Swedish

Match Company, which is duly ratified by the legislature of that country, the agreement becoming a part of the body of national law.

Independent producers are usually required to withdraw, and indirect competition, resulting from the sale of automatic lighters, is excluded.

Both Norway and Sweden have been pioneers in the field of public health administration. The so-called "health council" is probably a distinctly Norwegian institution, founded, under a law of 1860, mainly for the purpose of stirring popular interest in public health. In the rural communities the council consists of the district physician, who is chairman, and the entire parish council, with two additional members, one of whom must be a woman. The council has substantial authority and with the aid of the police may interfere with what in our country would be regarded as private matters.

In Sweden responsibility for keeping the public healthy rests largely upon the government health officers—an old Chinese idea. In cities such as Stockholm, Gothenburg and Malmö there are chief medical officers whose duties correspond to those of similar officers in the county.

These must treat without charge persons who are not able to engage private physicians. To those able to pay, they are permitted to charge for their services. Their fees, however, are regulated by the State. The fee for an appendix operation, for example, ranges from \$7 as a minimum to \$56 as a maximum; for the removal of tonsils the fee ranges from about \$6 to \$10. In spite of the smallness of these charges there is no dearth of doctors, both prosperous and competent, in Sweden.

With the exception of the hospital act of 1901, Swedish health legislation was concentrated in the period from 1914-19. The health acts, the epidemic diseases act, the act to check the spread of tuberculosis, the act for the control of venereal dis-



eases, the tuberculosis hospital act and the tuberculosis cottage hospital act were passed during those years.

The act for the control of venereal diseases illustrates the social-mindedness of Swedish legislation. It provides free treatment as well as legal compulsion to accept and follow the medical treatments prescribed. If the patient disobeys he may be forcibly placed in a hospital for treatment. The doctor is required to report every case by the number, and, if possible, to trace the source of the infection. In 1921 a plan was adopted for the dissemination, at State expense, of information concerning venereal diseases, particularly in the schools. By this same act licensed prostitution was abolished, and a penalty of fifty crowns and a maximum of two years' hard labor was fixed for transmitting a venereal disease. It is worth noting that the number of syphilitic patients in Sweden dropped from almost 6,000 in 1919 to 682 in 1925, and gonorrhea cases fell from 20,000 in 1919 to 10,299 in 1924.

Since 1925, however, there has been a noticeable increase in these diseases, syphilis having almost doubled in three years, due, probably, to relaxation of effort to control this social disease and a tendency toward a slight increase in promiscuity. In 1921 the government spent almost \$268,000 in controlling it, and over \$240,000 in 1922. In 1925, however, only \$130,700 and in 1926 only \$123,000 was appropriated.

A comparatively recent feature of Swedish hospitalization is the appointment of district nurses. In order to qualify, a nurse must pass approved courses in infant nursing, in the care of mental defectives, of persons suffering from epidemic diseases, of cripples, of tuberculous individuals, as well as in home hygiene, cooking, domestic economy and social legislation. The course continues through eleven months each year, the expense of instruction and training being paid by the government.

The profession of midwifery, in common with other hygienic improvements, was regulated by law in 1919. Ultimately Sweden will be divided into over two thousand midwifery districts, each containing one commune, or more. The principal schools for the training of midwives are located at Stockholm and in Gothenburg. The course extends over a period of two years. Midwifery in Sweden is a carefully regulated and honorable calling.

It is a significant fact that the maternal mortality rates in the United States are among the highest in the civilized world. In 1920—no later statistics are available—approximately eight mothers in every thousand cases in the United States died from puerperal causes. Chile was next with less than 7.5 per thousand, while in Sweden the rate was only 2.58 per thousand. The best record of the twenty leading countries of the world was made by Norway with less than one fatality from puerperal septicemia in a thousand cases. I am informed by a leading physician in the city of Malmö that deaths from puerperal causes, and particularly from puerperal septicemia, have been decreasing in Sweden since these figures were compiled.

Although approximately 85 per cent of the births in Sweden are attended by midwives, deaths due to carelessness and ignorance are much fewer than in the United States where midwives now attend more than 48 per cent of births. In the United States midwives are required to register with some health officer, but it is only in a comparatively few States that a license is a prerequisite to registration and the right to practice. Here and there some examination is given before the license is issued, but seldom do we find any requirements of education or special training. There are few satisfactory schools of midwifery in the United States, and thus the majority of those who practice lack training and do not possess adequate education.

# American Shipping Since The War

---

By ARTHUR WARNER

*Author of "Landlubber's Log"*

---

[The announcement of drastic reductions of from 10 to 30 per cent on all North Atlantic passenger fares to take effect on Aug. 17 testified to the serious straits in which the shipping industry finds itself at the present time. In the following article Mr. Warner recounts the fortunes of that vital industry since the World War.]

THE post-war epoch at sea has been a decade of phenomenal progress in the midst of pinching poverty; it has been a period during which an unprecedented advance has been made in ships while shippers have seen flashing S O S signals of financial distress.

Not only did the treaty of Versailles witness a realignment of sea power—notably the eclipse of Germany's and the rise of our merchant marine—but it revealed the commercial chart of the world as radically redrafted as the political map. The old international trade routes gave way to new ones, and the transportation of products previously of scant importance—like oil—made new demands upon ocean carriers. For the first time the Panama Canal became important as an unhampered international waterway on a peace basis, altering sea lanes as spectacularly as did Vasco da Gama's rounding of the Cape of Good Hope or Magellan's passage of the straits which now bear his name. The old ocean washed the shores of a new world; the unchanging sea bore a commerce signally changed from any it had known before.

Optimism was high, and men confronted the problems of post-war shipping with enthusiasm and energy. No other decade has seen even an approach to the astonishing mechanical progress in ships of the past one. Not only has oil largely superseded coal as fuel for steamships but the internal combustion engine, such as propels the automobile, has become a rival of steam even in the propulsion of large vessels. The automobile has dived off the dock and come up in midstream as the motorship, a competitor of the steamship for all purposes. Furthermore, to carry the flood of oil consumed by post-war civilization a vast fleet of tankers has come into existence, vessels radically different in appearance from any previously seen.

In addition to these developments a striking evolution has occurred in the size, speed and comfort of ships. The era of the superliner has dawned; faster and more luxurious vessels than men had ever known have pushed their glistening new hulls into the ports of the world, inviting passengers to travel on a hitherto undreamed-of scale.

But throughout all the post-war period the financial basis of this brilliant mechanical advance has been precarious. The treaty of Versailles did not bring the universal peace and prosperity expected of it. Large industrial success came to some countries, like France and the United States, while others, such as Great Britain and Ger-



many, remained in the slough of despond. Men's hopes outran realities. Too many ships were built. There has been more tonnage than cargo to fill it during the past decade; a sensational evolution in ships has gone hand in hand with calamitous depression in shipping.

Contrary to the usual belief, the end of the World War did not find on the Seven Seas less tonnage than at the outset of the conflict. England, France, Italy and Norway emerged with diminished merchant fleets, but Japan and especially the United States built so extensively that there were nearly 2,000,000 tons more shipping at the close of fighting than at the beginning. Immediately a fever of building seized all the maritime countries with such virulence that 15,000,000 tons in new vessels were added in the first five years of peace.

The latest available figures show that the world has 32,713 vessels of one hundred tons or more, with a total gross tonnage of 69,607,644. This indicates that, over and above the large number of ships scrapped in the past decade, existing tonnage is two-fifths as much again as when the Treaty of Versailles was signed in 1919. The United States Shipping Board estimated recently that there was a surplus of 8,000,000 tons in the world's ocean-going shipping.

Two forces have worked to bring about this prodigal building campaign. The first was business competition. Every shipping firm wanted to share in what it believed to be the fat years ahead. This necessitated replacing obsolete or destroyed vessels and rounding out fleets so as to put them in the best possible position for post-war commerce. But in addition to—and more compelling than—the stimulus of business competition was the new economic nationalism which the war fostered. In the post-war decade even more than before the war, strong merchant fleets were viewed as necessary public policy and, except in Great

Britain, were generously encouraged by government subsidies.

Within each nation there has been a marked tendency to combine individual companies into pools—especially passenger lines. The two leading German companies, the Hamburg-American and the North German Lloyd, have entered a pool, as have the principal Italian passenger carriers. Both French and American passenger business in the North Atlantic are controlled by virtual monopolies.

Shipping on the international trade lanes has been financially unsatisfactory during practically the entire post-war era, a situation accentuated by the American industrial depression. The United States Department of Commerce reports a 22 per cent decline in ocean freight rates between October, 1928, and December, 1930. Recent financial statements of leading European companies have shed further light on the difficulties of the shipping industry. Leaving out the sensational collapse last Winter of the Royal Mail Steam Packet Company—due as much to reckless financing as to industrial conditions—the earnings of the Cunard Line for 1930 suffice to tell the story. The net profits were \$93,000 compared with \$4,000,000 in 1929, and the usual dividend of 7½ per cent on the common stock was passed. The joint statement of the Hamburg-American and North German Lloyd lines showed that the gross earnings declined from \$27,000,000 in 1929 to \$19,000,000 in 1930. The French Line, subsidized by the Government of France, found its finances so shaky this year that Parliament voted it special assistance. The United States Lines, with a virtual monopoly of the transatlantic passenger traffic under the American flag, recently appealed to the Shipping Board to help them out of their financial troubles.

The average American thinks of world shipping in terms of the passenger liners of the North Atlantic. Actually that ocean is only a small

part of the Seven Seas. On steamship routes, as on railways, the carrying of freight is the overwhelmingly important job, and passengers are an almost inconsequential side line. It is the ungainly, unlovely cargo vessel, jogging along at ten or twelve knots an hour, that does the world's work. As Kipling has put it:

The Liner she's a lady,  
But if she wasn't made  
There still would be the cargo-boats  
For 'ome and foreign trade.

Among cargo vessels there have been significant changes in the past decade. Not only have they increased in size and speed but there has been a gradual elimination of the tramp steamship, a vessel which wanders about the world in search of cargo, with no fixed route or sailings. More and more cargo boats have been gathered into lines, sailing over prescribed routes at regular intervals, so that the proportion of tramp steamships has been reduced from 75 per cent before the war to 25 per cent today.

The North Atlantic passenger ships faced a crisis soon after the war's end, when Congress passed two immigration laws, the second and most drastic in 1924, which seriously curtailed the flow of third-class traffic that had been the most profitable part of the passenger business. As a way out of the dilemma came the happy thought of converting parts of third and second class quarters, with slight changes, into accommodations for American tourists unable or unwilling to pay post-war rates for first or second class passages. This mode of travel, known as tourist third class, has become immensely popular. The North Atlantic passenger lines also have greatly increased the pre-war practice of selling the best accommodations on certain older and slower ships at second-class rates. Travel in this category, now known as cabin class, has grown rapidly.

Because of their more seasonal character, neither the tourist third nor

the cabin class of travel is as profitable as the old immigrant traffic was. Indeed, the seasonal character of most North Atlantic travel is a hobgoblin for the steamship companies. In order to carry the throngs that normally go to Europe in May and June and return in August and September, it is necessary to provide accommodation far in excess of average needs. A recent survey revealed the disconcerting fact that, averaged over the entire year, 30 per cent of the berth space on the North Atlantic liners was vacant.

North Atlantic travel, which in the first few years after the war was a mere dribble of the former stream, grew steadily until in 1929 there were 1,250,000 eastbound and westbound passengers, including Canadian ports. Even this, while encouraging, was less than half of the pre-war travel, which reached its loftiest peak in 1913 with 719,000 eastbound and 1,866,000 westbound passengers, a total of 2,585,000. Of these 1,406,000 came in the westbound steerage. Travel across the Atlantic fell only slightly in 1930, when the total of 1,175,000 passengers was distributed as follows:

Class.	East-bound.	West-bound.
First .....	83,000	82,000
Cabin .....	78,000	85,000
Second .....	54,000	62,000
Tourist .....	128,000	139,000
Third .....	195,000	259,000
	538,000	637,000

The serious slump in passenger traffic came in 1931. Up to last July ships on the North Atlantic had carried 127,000 fewer passengers than in the corresponding period last year.

It is pleasant to turn from the discouraging picture of shipping finance to the dazzling canvas of mechanical progress, the basis of which, to a considerable extent, has been oil. During the war oil demonstrated its advantages over coal as fuel for boilers, and with the coming of peace the more important coal-burning steamships were refitted for the use of petroleum, and most high-grade pas-



senger or cargo vessels built since then have been oil-burners. Including motorships, about two-fifths of the world's shipping—especially the largest and most recent vessels—now use oil as fuel. This development greatly reduced the size of the "black gang" (stokehold force) and so lessened labor costs. Also oil is a less bulky fuel, and the speed with which oil bunkers can be filled, compared with coal burners, often saves valuable time in port. The United States has the largest number of oil-burning ships of any nation. It has also the largest share of the great fleet of tankers, amounting to 7,536,368 tons, which carry oil about the world.

The rise of the motorship is one of the breath-taking developments of the past decade. Before the war there had been a few seagoing motor vessels comparable in size to small steamships. In 1925 the successful performance of the 17,000-ton passenger and cargo liner Aorangi was the first demonstration that the internal-combustion engine was suited to vessels of steamship proportions. More than an eighth of the world's tonnage in 1930 was in motorships. The Scandinavians have been pioneers in adopting that kind of propulsion. Next to Great Britain, Norway owns the most tonnage in such vessels. Though the motorship has proved itself a worthy rival of the steamship, it has yet to equal the latter in speed, and it is noteworthy that the North German Lloyd chose steam turbines for its record-breaking liners Bremen and Europa.

The post-war era saw the coming of the "super steamship." It is true that the three largest vessels afloat belong to an earlier period. The Leviathan (59,000 tons) and the Berengaria (52,000 tons) went into commission just before the war as the German liners Vaterland and Imperator respectively, and were soon followed by the Majestic (56,000 tons), then known as the Bismarck. But the average size of passenger ships, espe-

cially on the North Atlantic, has increased sensationally since the war. Even more striking than the increase in size has been the advance in comforts, conveniences and luxuries, embodied in the so-called luxury ship, as exemplified by the Ile de France.

Since 1908 no effort had been made to better the remarkable records of the Lusitania and Mauretania. Then, on her maiden voyage, in 1929, the Bremen went from Cherbourg breakwater to the Sandy Hook lightship in 4 days, 17 hours and 42 minutes, an average speed of nearly 28 knots an hour, which was  $3\frac{1}{2}$  knots an hour better than the best time of the "Big Mary" over that route. The Europa subsequently cut thirty-six minutes from the westbound record of the Bremen, which later made an eastward passage between New York and Cherbourg in 4 days and 14 hours.

The gross tonnage in vessels of more than one hundred tons owned by the leading nations follows:

	1914.	1919.	1930.
British Empire .....	21,045,000	18,607,000	23,381,000
United States .....	5,323,000	13,039,000	14,045,000
Japan .....	1,708,000	2,325,000	4,316,000
Germany ...	5,459,000	3,503,000	4,229,000
Norway ...	2,504,000	1,857,000	3,668,000
France .....	2,319,000	2,233,000	3,530,000
Italy .....	1,668,000	1,370,000	3,331,000
Holland ...	1,496,000	1,591,000	3,086,000
Miscellaneous .....	7,567,000	6,394,000	10,021,000
	49,089,000	50,919,000	69,607,000

The British Empire has maintained its pre-war leadership, but the proportion of shipping controlled by it has declined. Japan and Norway have been active, while in Italy large government subsidies have stimulated the construction of a modern fleet. Passenger services between the United States and the Mediterranean, patronized ten years ago chiefly by Italians, now have a fine reputation for elegance and comfort. More spectacular still has been the growth of German shipping from the 672,000 tons stipulated by the peace terms in 1920 to a brand-new fleet of about four-fifths of her pre-war tonnage.

Most significant of all has been the reappearance, after years of eclipse, of American ships on the high seas. The tonnage figures for 1914 are deceptively large, since nearly half of the shipping was on the Great Lakes, and of the seagoing vessels all but a pitiful handful were in the coastwise trade. Since the inspiring days of the clipper ships America had receded to a position of insignificance on the international sea lanes, until at the beginning of the World War there were only six steamships carrying the Stars and Stripes across the North Atlantic.

The organization of the United States Shipping Board and the beginning of a huge merchant fleet goes back to war years and does not belong to the history of the past decade. But the post-war disposition of this shipping was an immense and unwieldy problem. When the armistice was signed the United States had spent or committed itself to a \$3,000,000,000 construction program. Thus the fleet expanded rapidly until 1922, when it reached its maximum of 16,000,000 tons. Unfortunately a large proportion was ill adapted or useless for peace-time purposes. The vessels had been built hurriedly, without adequate knowledge, and to a regrettable extent without even common honesty.

But 1922 by no means saw the culmination of our shipping efforts. On the contrary it was the beginning. With the reconstruction of part and the junking of much of the war fleet, the new American merchant marine began on a practical basis of fewer but better ships. Unlike other maritime nations, this country has scrapped two and a half times as much tonnage as it has built since 1922. Of the 13,000,000 tons built in that period, America has contributed only 600,000 tons and has sent 1,500,000 tons to the junk pile.

In 1928 the Jones-White Law offi-

cially inaugurated a policy of government assistance to shipping through mail contracts and loans for new construction at low interest. In addition, the government bears an operating loss on account of its Merchant Fleet Corporation, amounting in 1930 to \$10,294,000. Since the Jones-White Law was passed our shipyards have been humming, and are today one of the few bright spots in an otherwise murky industrial atmosphere. On July 1, 1931, American shipyards were building twenty-four ocean-going merchant ships aggregating 298,000 gross tons, besides some smaller craft.

Whereas United States ships carried only 10 per cent, in value, of American commerce just before the war, in the past decade they have been carrying nearly 35 per cent. Since it has been the policy of the Shipping Board to turn its fleet over to private companies as quickly as possible, all but a fraction of the nation's tonnage is now privately owned.

In spite of the atmosphere of financial gloom, there are signs on the horizon which indicate still greater mechanical advances in shipping. The Cunard Line is constructing a 70,000-ton vessel designed to outclass all rivals in size and fleetness, with a speed of thirty knots an hour. Even more important is the proposal to equip it with gyroscope stabilizers. These are already in use on yachts and on a Japanese cruiser, but their high cost and the space which they require have delayed their installation for commercial purposes. The Italians are completing work on the first merchant ship provided with this device, which costs \$1,000,000. The *Nautical Gazette* characterized the adoption of gyroscope stabilizers on the Italian liner as a major revolution, probably heralding a new standard of comfort at sea. The judgment is not unreasonable, for if the invention lives up to its promise it will make seasickness as obsolete as skysail yards.



# Phases of Life in Rural America

---

## I—The Country Doctor

By CHARLES MORROW WILSON

*Author of "Acres of Sky"*

---

[The following article, while impressionistic in style, presents an important chapter in the social history of contemporary America. The problems of the country doctor, described so graphically by Mr. Wilson, have long perplexed medical societies the nation over and have been discussed frequently by civil authorities concerned with rural welfare.]

A CLATTERING of hoofs sounded down the forest road. Presently a rider appeared, a mountain boy, bareheaded and tanned, his agile body swaying to the gait of his mount. The youth tugged at the bridle reins, turned into the doctor's yard and dismounted. Then he rammed his hands deep into the pockets of his faded blue overalls, wiped his cheek upon the shoulder of his musty yellow shirt, approached the doctor and said: "Pap Mulholland up on Pewter Ridge is got a misery in his stummick."

Fred Youngblood, M. D., for thirty-seven years a practitioner in the hill country of Madison County, Arkansas, nodded amiably and led the boy's sweat-lathered horse into the shade of an oak tree. The mountain youth struggled for breath sufficient to continue: "Looks like he's got to die. The folks wanted you'uns to come—quick—"

"Sure thing." The doctor strolled down to the back lot, gave a scoopful of corn chops to a herd of half-grown pigs, then rolled down his sleeves and began filing his finger nails.

The overalled messenger continued: "You can drive your autymobile up to where the old Y road ends up in Hanner's frog pond. You'll find some fellers there waitin' with a extry hoss."

"All right sonny. You stay here and rest up a spell. When your hoss is cooled off, take him back to the trough and give 'im a drink. After you've done that you might go in the house and see if Mom wouldn't like to fetch you a glass of milk and maybe a slab of cake." The boy grinned his appreciation. Dr. Youngblood turned to the house for his instrument case.

Pap Mulholland was in a bad way—chronic appendicitis which had become acute. Two mountains and seventeen miles of underbrush between him and a through road. Pap was 67 and normally as strong as a white oak, but for ten days he had been doctoring his "misery" with black-pepper poultices. Then it turned worse. The neighbors were in, but all they could offer him was tempting victuals and best wishes. Shortly after noonday Pap gave in, and said that he would have a doctor. He suggested that the Mullinix youngster be delegated as runner and the Mullinix youngster had accepted with delight.

The doctor arrived shortly after sundown. After a brief diagnosis, he diplomatically shut everybody from the house save two level-headed farm hands whom he had known since their babyhood. He directed them to build

a fire in the kitchen stove, put water to boil, and when they had finished, to set up the dining room table "real steady-like," and, after they had washed their hands and arms in lye soap, to spread clean sheets over it. In another five minutes the patient was on the table, taking ether. The doctor told his assistants to blow out the oil lamps. Fire and anesthetics should not be too close together. A farm hand brought the doctor's flash-light, pressed the magic button and there was light right where needed. The operation proceeded and the appendix was a bad one. But within forty minutes the patient was back in bed, the operation a complete success and Pap Mulholland was good for at least another twenty years. Dr. Youngblood could be thankful that he had the flash-light. A few nights before he had removed gallstones in the light of a dashboard lantern.

When I met Dr. Youngblood he was in the barn-lot, milking and feeding. He is not a live stock raiser by preference, but patients contribute calves and pigs toward payment for services, and being of a practical nature, the doctor carries the projects to a logical conclusion. He owns and milks sixteen Jersey cows, and he has just finished butchering six prime shoats, which being duly salted down, will provide his family with sufficient pork for the coming Winter. Thirty-seven years of country practice have convinced Dr. Youngblood that a successful country practitioner must be an opportunist of the first water. After graduation from medical school, back in the early '90s, he bought a saddle-horse on credit and rode forth to serve his people.

For the first eighteen years he reached his patients by horseback, buggy or spring wagon, and sometimes by boat. In those days roads were scarce and bridges were all but unknown. Then in 1912 he bought the first Ford in his county; since that time he has remained a staunch advocate of automobiles. After his

discharge from the army in 1919 Dr. Youngblood acquired the first privately owned airplane in the county. He hired a commercial pilot, and for six weeks experimented to discover whether the airplane could be used to advantage in country practice. The experiment proved a failure, but the doctor is confident that another ten years will find the airplane holding an important place in rural life.

Country practice continues to provide thrilling adventures. Epidemics occur periodically and calls overlap. Child delivery and emergency surgery require hours instead of minutes. Blinding storms, washed-out bridges, flooded roads, fallen trees and treacherous river-crossings are all in the day's work. Not long ago an urgent call led Dr. Youngblood to attempt crossing War Eagle Creek during a torrential Winter rain. Midway across, his car became stranded on a gravel bar; the waters rose, and when the radiator cap disappeared the doctor grabbed his medicine case, lifted up the front seat, took from under it his emergency rope, floundered out into the flood, tethered his auto to a willow tree, then swam to the bank, and answered the call afoot. Thirty-mile calls are more the rule than the exception. Not infrequently the mountain people come from settlements fifty or even seventy-five miles away.

Dr. Youngblood finds the great majority of his patients honest with heroic persistency. They plan to pay their bills, and if it is possible they await the doctor's coming with cash in hand. Unwritten mandates of rural neighborliness require that the doctor answer every call without preliminary speculation as to financial returns, but the country man of medicine is usually paid, either in cash or in kind. Dr. Youngblood's woodpile is regularly replenished in trade. His patients bring him besides potatoes, garden truck, strawberries and other fruit, molasses, wild honey, kraut, roasting ears, fresh pork and



well-seasoned gallons of clear corn liquor.

Some months ago Dr. Youngblood was contemplating a suitable wedding present for one of his daughters. The local stone mason suggested that a house and lot might come in handy, but the doctor pointed out that houses and lots are not easily produced. The mason suggested that the house might be built on accounts. He, for one, owed for an appendectomy and the last set of twins, and would be more than glad to provide the stonework and flues. So the building began. The sawmill man contributed lumber as payment for his bill. The owner of the village lumber yard provided weather-boarding, doors and windows. An itinerant tie-cutter paid a splendid supply of oak shingles. A carpenter, who owed for a hernia, supervised the construction, while a couple of credited farmhands and a furloughed highway worker gave their labor. So the house was built. The doctor is proud of it for several reasons. When a man is willing to contribute a month's hard labor toward his doctor bill it is a sign not only that he is honest to the bone but that he thinks highly of his physician.

Dr. Youngblood, in turn, thinks highly of these contemporary frontiersmen among whom he practices. He finds them neighborly, charitable people, keen observers and good listeners. Their homes are clean and natural. Little that is petty or artificial enters into the living ways of his people. They remain closely rooted products of the soil, and their lives follow naturally with the seasons. The doctor is welcome to take lodging and fare wherever night may overtake him, and there are times when the country doctor must keep endlessly at his rounds, day and night, taking a snack to eat here and a bit of sleep there.

Most country practice is concerned with old people and babies. Nerve cases are rare. Malaria and dysentery are the most common ailments of

the adolescent or mature person. Dr. Youngblood has seen the ravages of smallpox and typhoid halted and almost obliterated through widespread vaccination. Perhaps another twenty years will see the extinction of diphtheria. During his period of practice, deaths from childbirth have been reduced by half. Wounds and fractures remain common.

Since there is no point to holding secrets among good friends, we might turn through the pages of a country doctor's daybook. Here is a typical recording:

Sam Jones—Two babies with malaria.  
 Jess Bolling at Alabam—Wife delivered of baby.  
 Grandma Jones—Troubled with cold spells.  
 Ike Taylor's father—Apoplexy.  
 Professor Bass—Two babies with Summer complaint.  
 John Fowler—Malaria.  
 Sid Newton—Self-inflicted gun-wound.  
 Bill Walker—Operation for hand car-buncle.  
 Billy Waldron—Seven-inch scalp wound caused by diving into shallow water.  
 Tony Trinkle—Wife with needle in her right hand.  
 Art McGuire—Baby with scarlet fever.  
 Tom Hodges—Baby with nose full of beans.

The country doctor has magnificent opportunities for private research. Dr. Youngblood, for example, has worked for years on the subject of intestinal parasites, the alleged plague of mountain people. His findings are contrary to the popular credo; out of a thousand cases, he has found only four which show conclusive evidence of such a condition.

As the sciences of medicine progress, the country doctor is increasingly weighed upon by the expense of modern practice. Auxiliary funds are scarce, and few States provide adequate hospital facilities for their sick poor, particularly those States with large rural populations. The first result is the slow, steady decrease of the number of country doctors as the magnetism of the city draws a higher and higher percentage of young men into the urban practice. Scarcity of

country doctors works increasing hardship upon the rural patient, financially as well as physically. Naturally the rural practitioner must make some extra charge for long-distance calls; a common policy is to charge \$1 a mile extra for all calls outside of a three or five mile area. While such a scheme is obviously necessary, it is likely to be unfortunate, since plumpness of purse is inclined to vary inversely with the distance from a through road.

When the doctor's office hours are done, the patients come to his house. Without knocking they walk in, and if the doctor is out, take a seat before the fireplace and wait his return. In his thirty-seven years of backwoods practice, Dr. Youngblood has not once locked his house. And he has never lost even a pin from theft. His home has electric lights and running water, a telephone, too, one of the old-fashioned kind which one calls by ringing slow anthems on the crank box.

But the ways of sick folks are slow to change. Country people, as the first offspring of Mother Nature, are prone to revere her prowess at effecting cures. As a rule no attention is given to flesh wounds and bruises until infection appears. Home-made poultices are the first recourse, mixings of leaf pulp, tree bark, salt and pepper, tobacco juice, rag weed and a hundred other variations. After a few days of such treatment the wound has either healed or become seriously infected. Pneumonia is treated first as a chest cold, typhoid as indigestion, dysentery, malaria or jaundice as casual indisposition. Appendicitis or the first indication of hernia receives mustard plasters until a distress call brings the doctor face to face with the necessity of an emergency operation. Even so, the rural mortality rate continues steadily to decrease.

Old-time medicine lore still survives in the back country. "Sooth speakers" and "spellcasters" may be found in some of the more remote

backwoods, and the lore of spells lives on as do the old-time beliefs in moon destiny or omens of wealth and fertility. A typical anecdote of spell-casting, records that: "One time old Squire Humpty stopped alongside a high-up cabin and asked could he get a light for his tobacco pipe. They was a little child in the settin' room, layin' there kickin' and screamin'—bewitched. So Squire asked the folks was there any spellcaster livin' in them parts. They didn't know for shore, but they allowed maybe the young'un had been bewitched by a old woman who lived acrost in the next holler.

"So Squire told 'em to get nine new pins that hadn't never been stuck into cloth and a bottle, and to put them pins in the bottle and set it on the mantelshelf. Then to get a board shingle and to draw a picture of the old woman on it, and to set the shingle agin a stump and to shoot it just at sundown. They done it.

"About a week later Squire come by the place agin to ask about the little child who by that time had got plum well. Then he asked had anybody died, and they told him that the old woman had died with a shriek when the man shot the picture with his rifle gun. And the bottle on the mantleshef busted into a thousand pieces, and they didn't never find ary one of them pieces."

Dr. Youngblood considers most folklore interesting and harmless. Few of the beliefs have any real application. To believe that rain water caught on the first day of June will serve as a cure for freckles, or that kissing the middle rail of a five-rail fence cures chapped lips, or that wearing a cartridge belt wards off rheumatism, is not apt to involve serious complications. Many of the traditional home remedies are sound, providing they are taken by adults, but the doctor frankly deplores the old wives' habit of "dosing" young babies.

The country doctor must learn to



treat the notions of old women diplomatically. In the majority of instances an old dame of the countryside has been called to the sickroom first, and unless the doctor is past 80 she invariably is ahead of him from the standpoint of experience. Dr. Youngblood confesses that there are occasions when diplomacy deserts him. Not long ago he was called to attend a case of pneumonia, twenty-five miles out in the hills. When he arrived at the place, he saw in front of the cabin four farm wagons, three vacant buggies, three saddle horses and seven ancient Fords. After forcing his way through the throng of sympathetic visitors, he found inside the sick man's room fourteen adult sympathizers, two romping urchins and a squawling baby—kinsfolk all bent on making Uncle Ulley's last mortal hours a little sweeter and, incidentally, depriving the poor devil of most of the oxygen for which his tortured lungs were struggling. The doctor proceeded to clear out the room, then the porch and finally the front yard. Uncle Ulley recovered, but Aunt Callie Fulks felt badly all the next day about the way the doctor had talked.

A country doctor's waiting room provides an interesting sight. There country people come in an endless caravan, landed and landless, farm people in calico and denim. The weathered walls of Dr. Youngblood's office hold two mottoes which are particularly appropriate: "Nothing Matters Half as Much as You Think it Does"; the other observes that "Folks Who Never Do Any More Than They Get Paid For Never Get Paid For Any More Than They Do."

A bedraggled woodcutter may hobble in to show a cut foot which he has been treating with hickory ashes and black pepper. The results are nothing to brag about. The woodcutter has a lone half-dollar which he insists upon paying for treatment. An old hill woman who has ridden seventeen miles through the forest comes for a

treatment of insulin sufficient to extend her mortal span at least three more days. Perhaps a travel-worn family of seven trails into the office to report that they all feel "mighty ornery." Consequent questioning reveals that the family has been living down on the far branch of Hazel Creek, better than sixty miles away. The mother came down with typhoid and by the time she was well again, three of the young ones had acquired "yaller ganders" (jaundice). Now the whole family is feeling good-for-nothing. So they "all just up and decided they'd travel in to Old Doc Youngblood and get cured up."

Rural intimacy frequently proves of assistance in diagnosis. The country doctor may find little Johnny Perkins's illness more understandable because he is acquainted with Johnny's father and grandfather. A close acquaintance with one's countryside can explain a hundred ills which might baffle casual diagnosis. Not long ago a farm wife came into Dr. Youngblood's office. She recited an awe-inspiring list of symptoms. The doctor ventured a painstaking examination which got him nowhere. The symptoms failed to co-ordinate. Not many days later the woman came again. This time after her recitation of symptoms, Dr. Youngblood summoned a specialist from the nearest town. That learned gentleman listened through the recitation of ills, renewed the diagnosis and pondered, then confessed candidly that he was stumped. In the afternoon Dr. Youngblood happened to be glancing through the county newspaper and noticed in the court column that the patient's farm which she had spent twenty years in acquiring, was to be sold under mortgage, and that she was returning to the old hillside patch which she had abandoned a quarter-century before. Dr. Youngblood tossed the paper to his visitor. "There's the belly trouble." The eminent specialist read, then smiled and nodded.

## II—The Country School

By RICHARD B. RANSOM

PERHAPS half the men and women in the nation once went to a country school, to some little red schoolhouse on a hill, and recall it today with a sentimental remembrance that is far away from present realities or past efficiency. The survey of the National Education Association in 1930 found that two-thirds of the schoolhouses in America had only one room each. In Texas there are about 10,000 one-teacher districts, each with its local board of trustees and probably dearth of leadership and financial ability to meet its own educational needs. New York State has the great New York City school district with its 2,000,000 children; but the same State also has its hundreds of little school districts. In 1929 there was one district in New York State which had all the mechanism of trustees, teacher, and so forth, but only one child in school, and he the adopted son of the teacher. In Mississippi in January, 1931, there were more than 200,000 country school children whose teachers had not received any money since before Thanksgiving and would not receive another pay check until after local taxes were paid in March. Throughout the whole nation one-fourth of the teachers in all rural schools have had six weeks or less of educational training after high school graduation and 10 per cent of them have never been graduated from a high school.

Theoretically the public schools are State-supported and State-directed institutions that provide educational opportunity for every child. Practically and traditionally, however, they are nearly all local in their management. An easy American philosophy has neither defined the standards of the

service they render nor guaranteed them any national or State-wide sufficiency of support. Only two States, Delaware and Nevada, which regard the schools as part of the State Government, administer and support them. Of the other forty-six, not one directly provides as much as one-half the total of the school's cost and many of them make casual and negligible school appropriations. Yet everywhere the public schools are regarded as one of the most important governmental functions, and in every State the cost of public education is larger than that of any other governmental expenditure, except possibly the building of roads.

For several years educational leadership has realized that there is a great difference in the capacity of local districts to support satisfactory school systems. This is increasingly true when the local districts are very small. It is not uncommon to find instances where a child's education in one county is backed by from two to five times as much money as in the adjacent county. The State of Missouri, for instance, can be divided arbitrarily into two almost equal parts—in one the education of every school child is supported by more than two and a half times as much taxable wealth as in the other half of the State. In 1926 the corporation boundary of the city of Dallas, Texas, separated the city from a neighboring school district in such a manner that the tax rate which would bring Dallas an income of \$100 for every child in its schools would bring for the child across the street only \$2.87. Virginia and West Virginia are among the States whose wealth is least variably distributed, yet in each of them there



are school districts richer than others in the ratio of 17 to 1. The variations of wealth in Illinois school districts are as great as 43 to 1; California, 50 to 1; Indiana, 60 to 1, while Colorado has districts which vary in wealth in the ratio of 100 to 1. In every case the country district is at the bottom of the scale.

These and thousands of similar inequalities are immediately reflected in the quality of the education provided. As a result, there has been a considerable effort to equalize conditions through selective distribution of State funds or through State contributions large enough to assure every school a reasonable financial support that is independent of local capacity.

Inadequate, uneven and unfair systems of school support are no little part of the discouraging outlook of nearly every rural community. The cities of the nation in general have relatively few children and at the same time the concentrated wealth that makes maintenance of the schools easy even when undertaken on a lavish scale. They are fed constantly with newcomers from country districts with poor educational advantages. Too often the move is made after the children of the "abandoned farmer" have made such a bad start at school that further educational progress is almost hopeless. Their short remaining experience is unsatisfactory both to them and to the city schools which they have entered.

Half the Iowa farmers now living in Southern California will say: "Yes, we sold the place because Winters were hard. And besides, the children seemed to do no good in the schools we had." And so it is throughout the country.

It must be recalled that more than half the people of the United States live in cities and towns in which the schools are in session nine or ten months of the year, if not the whole twelve. The other half, however, lives

on farms and in villages where school sessions average scarcely seven months and are taught with scant enthusiasm by teachers whose salaries are less than half those offered in the cities.

Every State has statutes regulating the authority of various school officials, providing checks on financial responsibility and setting teaching standards, but often without regard for a continuous educational policy and sometimes self-contradictory. In reality standards of school operation are not standards at all, but are mere ideals held out before the local school managements in the hope that by some grace within themselves the ideal will be attained.

Under a fair tax system and with a uniform standard of values between districts it has commonly been assumed that the taxable property of a community is a true measure of its ability to support schools. There are, however, a number of other considerations. John Jones with ten children and a \$1,000 property is much less able to pay taxes for education than Henry Hanks with no children and an equally desirable \$1,000 property. South Carolina has sixty-nine adults to every 100 minors, or children, but California has 217 adults to every 100 children. Which is better able to educate them? Not only has the State with a larger child population usually less wealth per capita; in all parts of the country there is also a decline in the ratio of income to each unit of taxable property as the child-adult ratio increases. South Carolina not only has less wealth per person than California but each unit of this taxable wealth brings in a smaller return of income for the rearing and education of a larger number of children. Though these two States are at the extremes of the child-adult ratio, diminishing ability with a larger child population to educate can be seen in every other State by comparing the figures of the United States Census of population of 1920

with the figures of the United States Census of wealth for 1923, the latest comparable and authoritative sources of information. The States with a large rural population also have a large child population; they have less wealth and have proportionately less income to maintain the education of each child.

Virginia has an average of 108 adults to every 100 minors, with individual cities and counties varying from 62 adults per 100 minors in Buchanan County to 198 adults per 100 minors in the city of Staunton. Of the twenty-two city school districts in the State all had more adults than the State average except two of the smallest, each of which had less than 500 children in school. Of the 100 county school districts, however, only ten had more adults than the State average. Contrary to the general impression that the Negro population is especially prolific, Buchanan County, which has the largest child population in the State, is the only county that has not a single Negro family residing in it, while the city of Staunton, with the smallest child population in the State, has a Negro population of 24 per cent. The progressive thinning out of population in the four parts of Virginia pictures perfectly both a larger and larger proportion of children in each district and increasingly poorer schools with shorter terms and greater illiteracy.

In every State that has developed its own schools the original school districts were small, often neighborhood groupings of related families or desolated farming districts. These districts survive but cannot compete on even terms with the city districts that have outgrown them. They cannot employ the most experienced teachers nor pay salaries that will hold the efficient teacher developed in their service. They cannot count on any continuing high standard of school operation nor can they afford any supervision of teaching. The wide variety of

courses and social services that the city school easily and regularly provides is impossible. Good country buildings are more difficult to design and cost more per pupil than those in the city; country children are from scattered and sometimes distant homes so that transportation adds to the burden of the district; moreover, the needs of the children attending the country school are far more diverse than those of the children from a single city ward or small town. The growing proportion of tenant farmers in many parts of the country has taken from the local community much of its leadership and community pride, and the country school, more even than country homes or country churches, has declined or failed to realize its full function in community service.

With less than half the population, the country districts contain more than three-fourths of our illiterates. The terms of country schools average less than three-fourths as many days a year as the city school. One-fourth as many country boys and girls who start in school at 6 or 7 years of age enter high school; and in proportion to their numbers, only one-fifth as many country children go to college as do city children.

There is no doubt that in the poorer States of the Union country schools are still more poorly supported and country communities vary more in their ability to support the schools. Because of this there have been numerous proposals to have the National Government either take over certain phases of education in the States or supply Federal funds to aid State Governments in their general school operations, but this plan is only a slender hope.

There are three general lines of administration by which State funds may insure satisfactory financial backing for schools everywhere within the State.

(1) Delaware supplies the entire



cost of its public schools and administers them without any local aid.

(2) California makes so large a flat-rate, or "per school child," contribution to local schools that ample support is provided irrespective of local resources. Most States distribute their school funds on some such flat-rate plan, but the local apportionments are so small in comparison with the total cost of good schools that local districts are still wholly unable to provide uniformly good educational opportunities.

(3) The State may use its funds to supplement local support, requiring a minimum local effort in proportion to the resources of the district. Such an equalization plan operates best in New York and Pennsylvania. In both these States the minimum needs of each school are calculated by a sliding scale proportioned to the number of pupils and the grades of work handled. The local resources are assumed to be measured by the taxable property of the district, and the State requires the district to levy school taxes at a minimum rate on this taxable property unless a lower rate will produce all the funds required. If the minimum tax does not produce these funds the State directly supplies the deficiency. In addition, the local district may impose additional taxes to augment its school program above the level required by the State minimum.

Virginia is so far the only State that has completely segregated its taxable properties, so that the State and

the local districts exercise an exclusive right of taxation in a single group of properties. There is no State tax on land, purely local business or other forms of exclusively local property, while the State reserves to itself the sole right to tax incomes, inheritances, public service and utilities, businesses of more than local scope or not wholly within local spheres of valuation, and some special forms of sales and severances. As with the earlier but less complete segregation in New York, Pennsylvania, California and Wisconsin, this State has found that segregation and analysis of the sources of tax income has very much lessened the inequality of the tax burden, has greatly relieved the overburdened agricultural districts in particular, and has greatly increased the financial stability of all publicly supported services, whether State or local.

Our schools in general, and the country schools in particular, need some degree of reorganization in both their organization and maintenance. Some States have districts too small to make use of teaching effort or supplies with any degree of efficiency or to provide school supervision or superintendence. Where natural obstacles prevent consolidation with neighboring districts for more efficiency, the State should impose some district supervision. Two-thirds of the schools of the United States should certainly not continue to be one-room schools.

# The African Native Faces the Twentieth Century

---

By EARLEY VERNON WILCOX  
*Author of "Tropical Agriculture"*

---

THE Dark Continent is still an appropriate name for Africa. Not only is it large enough to cast an ominous shadow, 11,500,000 square miles, but it is also the birth-place of the black race, about 100,000,000 of whom still make their home there.

To be sure, much of the mystery which formerly brooded over the interior of darkest Africa has been forever dispelled by the fierce light of geographic research and industrial progress. Zulu braves, picturesquely decorated with horns, feathers and beads, serve as rickshaw boys to facilitate your sightseeing efforts. Sons of the Matabeles who put gray hairs in Cecil Rhodes's head sell you for a few pennies spring-boks and leopards carved in wood. Bantus, who worried Leopold of Belgium into the adoption of unreasonably cruel measures of repression, now carry roast beef in their full dinner pails to the gold and copper mines of the Katanga region, or study bovine eugenics in an attempt to improve their herds of cattle by the introduction of pure-bred Hereford and Shorthorn sires. Hottentots who once occupied themselves chiefly in keeping their shocks of hair in proper order may be seen today operating tractors and harvesters in the wheat fields of Cape Province. The Wahimas of Ruanda-Urundi no longer depend upon the medicine man with his hocus-pocus to keep rinderpest and east coast fever from their cattle

but are using modern preventive measures. It is no longer the Africa of Livingstone and Kruger and Rhodes.

It would be idle to speculate on what might have been the present status of culture in Africa if European nations had been content to leave the black natives to their own devices. Instead, there was a greedy scramble for more territory in which England, France, Germany, Italy, Portugal, Belgium and Spain seized every square foot of the continent except Liberia and Abyssinia. Germany was squeezed out during the World War, leaving the other nations in possession.

Among the British public there is a fixed and prevalent assumption that whatever England does is right, no matter to which of her subject races she does it. This point of view, which is shared by other colonizing nations, grows out of the idea that by virtue of superior wisdom the white race has the duty of helping the Negro race to realize its destiny. The blacks are, therefore, taught that while the medicine may have a nasty taste, it is good for them.

It is difficult, for this writer at least, to harmonize Dutch, English, Portuguese, Belgian and French opinion of the blacks with their obvious ability to adjust themselves to the rapidly changing conditions of the modern world. British and Dutch officials in South Africa insist that the blacks could never rise above the



status of unskilled labor, should never be encouraged to dream of such unattainable things and should be forever segregated in special reserves like Basutoland, Bechuanaland and Swaziland. They confidently assert that the Bantus and Kafirs are not mechanically minded and could never be trusted with the operation of a tractor or self-binder. But this writer has seen Kafirs handling these machines, not only satisfactorily but rather more conscientiously than the European employe for the simple reason that the Kafir felt more keenly the honor and responsibility of being put in charge of such a juggernaut.

Nevertheless, hundreds of Boer farmers, fearing that the natives could do nothing with machinery except ruin it through their stupidity, hire blacks in large gangs to harvest their wheat fields with sickles. Such practices prove nothing except the inability of the Boer farmer to use labor intelligently. In a very literal sense he is less capable of handling the human machines at his disposal than is the Kafir at the wheel of a tractor.

We hear much about the witch doctors of Swaziland and their weird, hypnotic methods of locating pains in the bodies of their patients, their power of smelling out public enemies and of sucking devils out of the ears of the afflicted. The casual tourist forgets that for every voodoo practitioner there are perhaps a thousand natives engaged in mining gold, diamonds and radium, collecting palm nuts, rubber, ivory, cacao, copal balsam and dyewoods or raising cattle, goats, corn, sugar cane, rice, vanilla and peanuts. It was a far greater surprise to find the natives of Central Africa growing good strains of Iowa corn and Georgia cotton than to be reminded that some of them still practice the black art.

In the Ruanda corner of the Congo region 5,000,000 black natives live, 300 to the square mile, a population density equal to that of Japan. Such close settlement cannot exist without

a fairly satisfactory social and political organization. The King of Ruanda is the proud possessor of a million head of cattle. It has taken a long time for the stay-at-homes in Brussels and Antwerp to realize that the Congo country is more than a mere tract of land somewhere in Africa full of gorillas and wart hogs. Those beasts are a part of the show, but palm oil, copal balsam, diamonds and radium are the important products. These industries require something more than unskilled labor.

The spontaneous reaction to any widespread scourge, such as an epizootic disease of live stock, is a fair test of the native intelligence of any race. Federal authorities in the United States have met considerable organized resistance in Florida and Louisiana to the eradication of cattle ticks as part of the campaign to improve the type of Southern cattle. Compare this attitude with that of the government veterinarian of Uganda in the Lake Victoria region of East Africa in his struggle with rinderpest, one of the worst pestilences of cattle. "The native population of every area," he said, "has cooperated with remarkable loyalty in the efforts to control the disease. When is it remembered that ten years ago the natives ascribed all outbreaks of cattle disease to a local unhealthiness of the area in which it appeared and that their remedy for any disease was to remove the stock to another district, cooperation in quarantine measures directly opposed to their own superstition indicates a marked advance in the education of mass opinion. I am inclined to attribute this striking improvement largely to the influence of native veterinary assistants."

The idea that the blacks must be relegated to the realm of common labor with no hope of a higher economic status is hardly tenable. Imagination and manual skill must be conceded to the Bantu boy who can carve out a leopard instinct with life and

action from a piece of rough wood. The Kafir who understands the connection of ticks with east coast fever and builds dipping vats to rid his cattle of ticks is not beyond the pale of intelligence. The religious beliefs of the African blacks are as rational as those of the followers of Gandhi and their village sanitary arrangements are less objectionable than those of the sacred city of Benares.

European administrative officials of the various African colonies assume that the blacks are mentally limited to the first four school grades, and for this reason educational opportunities have only grudgingly been supplied to them. The intelligence tests which first came into wide use during the World War have apparently demonstrated that the Chinese, Japanese and white European races are measurably superior in mental alertness to the Malays, Polynesians and blacks. Biologists commonly go further in asserting that the black races labor under the physical limitation of an earlier cessation of brain growth than other races. Demonstrably the final symphysis of the skull sutures takes place at a younger age in the blacks. But from observation in everyday life the conclusion is inescapable that the future place of the black man in the development of the gigantic resources of the Dark Continent has been considerably underestimated by his European masters. For years the British have tried to induce English and Scotch farmers to migrate to South Africa, North and South Rhodesia, Tanganyika, Kenya and Uganda on the theory that the black was incapable of farming aggressively and that he needed a few Devonshire and Ayrshire settlers to show him the way. But with rare exceptions these settlers were unable to become acclimated to the tropics. Furthermore, instead of instructing the black man how to farm, they were forced to learn from him how to operate in an unfamiliar environment.

It is certainly doubtful whether,

without the aid of the black man, Africa's treasures and resources are within reach of the European. The natives still constitute 98 per cent of the population, while in 1913 there were not more than 5,500 Europeans in the Belgian Congo, including Ruanda. Now there are perhaps 25,000 of them among a Bantu population of 14,000,000. Only in the Union of South Africa and well outside the tropics is there any considerable white population, and there it is about 1,750,000 among 5,000,000 blacks. An aggregate of 2,000,000 whites scattered throughout the vast reaches of black Africa could not even police the country without the intelligent cooperation of the blacks. And mining, merchandising, farming and transportation would promptly come to a standstill if the blacks withdrew their help.

In South Africa alone there are 175,000 native workers in the gold mines. In the engineering, building and printing trades many natives have closely approached the European in skill and output. Yet the natives are definitely restricted in all urban areas. They must live in certain specified districts. Only as many as are needed in each city are allowed within the city limits. Each year the Natal planters try to recruit a sufficient number of Basutos, Zulus and other tribes to care for the sugar and cotton crops. The planters want the Basutos to remain in the interior on their reservation, ready to come down to the coast whenever there is work on the plantations. But in normal seasons the Basutos' own corn fields and cattle yield more profit than working for the planters. And in years of drought when the corn fields of the Basutos fail, the planters also have little for them to do. This plan of labor recruiting is obviously a poor one, and will probably fail altogether as the natives become better educated and organized. Rhodesia and the Transvaal secure thousands of temporary laborers from Mozambique. About 50,000 go annually to the Rand gold mines, most of them returning at



the end of the contract period. In fact, Bantu labor organizations in South-eastern Africa boast 175,000 members.

School opportunities for the natives are slowly improving. There are perhaps 225,000 native children in the schools of the Union of South Africa, more than half of them in Cape Colony. But schools for natives are subject to the most dizzy uncertainties in case of financial difficulties on the part of the government, being at once suspended indefinitely. In general, the treatment accorded to the Bantus varies greatly. In Cape Province natives qualified by property, salary and education are allowed to vote although only a few have qualified. In Natal the natives are not granted the franchise except by authorization of the Governor General, which is rarely given. In the Transvaal and Orange Free State no provision has been made for the natives to vote. But a Minister for Native Affairs tries to keep in touch with native needs, and two or three agricultural schools for natives with a total of perhaps 100 pupils have been established.

The European masters of black Africa can never properly develop or utilize the vast resources of that continent without frankly taking the natives into partnership with them. In much of this country the European must keep out of the sun from 10 o'clock till 4, while the full glare of noonday merely adds vitamins to the native. As soon as the value of this great mass of educatable human material is understood, school facilities, instead of being provided spasmodically and in a grudging or stepmotherly manner, will be considered a regular and necessary part of government machinery. Education will be adapted and adjusted to the native rather than held up to him as a circus hoop through which he must jump. There is need in Africa for better-trained plumbers, carpenters, painters, printers, engineers, firemen, tractor drivers, cooks, stock feeders, poultrymen, sheep breeders, wool sorters,

orchardists, butchers, typists and all the other tradesmen demanded by modern life. Equally necessary is the preparation of native teachers, dentists, physicians, nurses, police, tax collectors, road builders, brick makers and sanitary officers in connection with the warfare against malaria, hookworms and sleeping sickness.

To let the native share the responsibility for future progress will relieve both the back and the conscience of the white man of a heavy load. Everywhere recent developments are pointing in that direction. In Kenya Colony the natives are engaged in farming, pastoral and hunting pursuits. Even the nomadic Masai tribesmen have forsaken the warpath and settled down as cattle ranchers. The natives of Mozambique are growing corn for export, as well as cocoanuts, cotton, sesame and sugar. The 4,000,000 Bantu Negroes of Angola are chiefly interested in corn, wheat, rice and sugar. The Nigerians are busy mining tin and harvesting rubber, palm nuts and cacao. Beef is a staple food in Nigeria, but in skinning their cattle the native butchers had heretofore carelessly slashed the hides and greatly reduced their value for leather. Recently better prices have been obtained as the natives learned to preserve quality in their cattle hides. As the importance of the ivory crop decreased with disappearance of wild elephants, the natives turn to cacao or rubber or oil palm nuts.

In numbers the black man is holding his ground in his own home. Physically he is a fine specimen. His manual skill and artistic imagination are abundantly proved by his carvings and houses. Mentally he can go much further than his European masters pretend to think. He has little need for proficiency in Greek literature and metaphysics, but he is fairly capable in the business of life and can change his habits and practices promptly as conditions may require. In any fair appraisal of the wealth of Africa the black man should be rated among the greatest of its assets.

# Liberia Defended by a Liberian

---

By NATHANIEL H. B. CASSELL  
*President, Liberia College, Monrovia*

---

[The following article is printed in reply to the article by Rennie Smith, "Negro Self-Government at a Crisis in Liberia," which appeared in August CURRENT HISTORY. Mr. Smith in his description of present-day Liberia declared that the country is controlled by "Americo-Liberians"—the descendants of former slaves in America—who have made politics a business to the exclusion of the welfare of the nation. Because, he maintained, no thorough-going anthropological survey has been made, it is impossible to know very much of the true native Liberians. But the "Americo-Liberians" have allowed State finances to become a cesspool of corruption, have permitted the country to remain economically undeveloped, have neglected the construction of highways, telegraph and telephone lines and have made no attempts to set up public health administration. Moreover, education in the black republic has made no headway. Finally, the nation has permitted the existence of intertribal slavery and contract labor of a type which closely resembles the slave status.]

MR. RENNIE SMITH, member of the British House of Commons, in discussing Liberia, possibly has done his best in dealing with a question about which he recorded only second-hand information. Mr. Smith never visited Liberia, but the writer of the following article is a native of Liberia, whose mother was born in Monrovia of parents who had immigrated to Liberia from Richmond, Va., in 1829. His father came from Augusta, Ga., in 1852. I suppose I am one of the "Americo-Liberians" against whom Mr. Smith hurls unsparing indictments and criticisms. Personally, I regard the term, "Amer-

ico-Liberian," obsolete except when applied to Liberians who were born in the United States.

It is misleading for Mr. Smith to have said that Liberia is so little known anthropologically. The late Sir Harry H. Johnston, an English anthropologist, spent a considerable part of the loan of \$500,000, negotiated by the Liberian Rubber Development Company, an English syndicate, in the publication of two large volumes on Liberian history. These two volumes contain an extensive discussion of the anthropology of the Liberian tribes and peoples. Mr. Smith must not have seen the descriptive work, *Liberia*, by Professor Frederick Starr, the noted anthropologist, and the recent work, *The Land of the Pepper Bird*, by Sidney De La Rue, for some years Financial Adviser and Customs Receiver of Liberia.

The great difficulties which Liberia has had to face can be summarized in two words: Territorial and economic. When Liberia declared her independence in 1847, farming and commerce were the chief interests of the people. In the 1860s planters on the St. Paul River were sending considerable quantities of sugar in their own ships to Europe and America, and during the 1870s and 1880s Liberian coffee held an important place in the European market.

These enterprises were permanently crippled by competition in the foreign markets with Cuban sugar and Bra-



zilian coffee. Liberia's distance from world markets and the absence of strong, influential commercial houses made it very difficult to combat this competition. The aspirations and ambitions of the Liberian farmer and trader broke under the strain. At about the same time Liberia was menaced constantly by the scramble of European nations for African territory. The threat from this general policy of taking valuable and rich portions of the continent was not removed until the organization of the League of Nations after the World War.

As a result of the setback to agriculture, internal developments were hindered and the machinery of government was handicapped because of a lack of finances. In the early 1870s Liberia turned to England, through the Liberian representative, then an Englishman, Mr. Chinery, to negotiate a loan. A loan of \$500,000 was negotiated with English financiers, presumably for Liberia. But Liberia received hardly \$100,000 therefrom, and what reached the country was partly in cash, partly in goods. President Royce of Liberia, the principal Liberian concerned in this questionable transaction, lost his life in the civil disorders which ensued at Monrovia.

One loan led to another. The country's finances were severely crippled, although honest endeavor was made to settle the loan of 1871 upon the insistent and constant demand of Great Britain.

A loan was negotiated in 1906 largely by the late Sir Harry Johnston, the head of the Liberian Rubber Development Company, an English syndicate then operating in Liberia. The loan amounted to \$500,000; about one-third of it was used for Liberia's benefit; the other two-thirds were used by the syndicate, which borrowed large sums for its own purposes, established, on paper only, a Liberian bank and built a highway between White Plains and Careysburg which not only did not reach Careysburg but

was washed out after two rains. In spite of the fact that the greater portion of the loan of 1906 was handled and manipulated by the Liberian Rubber Development Company in its own interest, the Liberian Government has had to pay back every penny, at a cost of almost the national existence of Liberia.

Because of the unfortunate consequences of the loans of 1871 and 1906 and the insistent demands of Great Britain that Liberia set her house in order, the country turned to the United States for advice and assistance. In 1907 the President of Liberia had gone to London to attempt to settle the crisis. Meanwhile Liberia had lost territory to both Great Britain and France. In 1908 a special delegation composed of ex-President G. W. Gibson, Vice President J. J. Dessen, C. B. Dunbar, C. R. Branch, a member of the House of Representatives, and T. J. R. Faulkner was sent to the United States. As a result the United States sent a commission to Liberia in 1909 to study conditions on the spot and to make suggestions and recommendations. The commission's very full report recommended that the United States render Liberia further advice and assistance.

The friendly aid of the United States led directly to an international loan of \$1,700,000, administered by a board of receivers representing the United States, Great Britain, France and Germany. Unfortunately this administration laid too heavy an expense on the already encumbered Liberian finances. Professor Frederick Starr, when writing upon this question in 1913, declared that the expense of maintaining four receivers was out of all proportion to the size of the loan. In his opinion the United States might well have made the loan to Liberia and thus saved the expense of the salaries of the British, French and German receivers.

Temporarily, however, Liberia seemed to be building up her finances. The claims related to the British loans

of 1871 and 1906 were settled, as were the large claims of the German and Dutch merchants, who during Liberia's financial difficulties had been her quasi bankers, often exacting 200 per cent interest. But financial rehabilitation was rudely interrupted by the World War. Customs revenue, the chief source of the government income, practically disappeared; industry was retarded. The International Board of Receivers was found now to be impracticable and unworkable. When the war ended in 1918 only W. H. Whorley, the American receiver, was functioning as receiver of customs and financial adviser to Liberia.

In the midst of the World War Liberia, following the advice of the United States, joined the Allies. This step resulted in the bombardment of Monrovia, an unfortified seaport, on April 10, 1918, by a German submarine. The suffering and sacrifice of Liberia caused President Wilson in 1918 to promise a \$5,000,000 loan upon the same principle that loans were being made to other allied nations. But President Wilson as well as the Democratic party went out of power in 1921 before the loan had been granted and the Republican Administration failed to carry out the previous President's pledge. President King of Liberia and a special commission spent nearly the whole of 1921 in the United States endeavoring to obtain this loan. Meanwhile the Firestone Tire Corporation, seeking fields to plant and raise rubber, turned to Liberia. Suggestions coming from the company as well as from certain officials of the American Government finally brought a new loan to Liberia of \$5,000,000. The terms, however, are so extreme that the very autonomy of the nation is threatened.

At present about \$2,250,000 of the loan has been taken up by the Liberian Government. Instead of assisting the country it has paralyzed eco-

nomic life and rendered the government impotent. The charges on the \$2,250,000 taken require practically one-half of the entire revenue of the government—over \$300,000 annually. A little over \$250,000 is needed to pay the salaries, allowances, traveling, medical and other expenses of the six white American fiscal officers and the military officer of the frontier force, while interest and amortization eat up the balance of the \$300,000.

During the present year the revenues of the government will amount to scarcely \$700,000.

For the last twenty years or more Liberian finances have been in a large measure under the direction and management of white officials. They have superintended the customs and since 1927 the internal revenue. Present conditions, which are far from satisfactory, can be attributed to no other source than those officials to whom the development and management of the finances of the government are entrusted.

The situation in education and its lack of development to which Mr. Smith calls attention is likewise the result of economic causes. There are no funds with which to conduct and develop good schools, to establish and maintain vocational schools and institutions of higher learning. A very forceable and concrete example is presented by the current year's appropriation for Liberia College and the public schools. The paltry sum of \$18,000 is all that is allowed for education by the government—an amount about equal to the annual salary of the financial adviser. That official, however, has had his salary paid regularly, but those serving at Liberia College have received no payments since January. Mr. Smith must surely not be in possession of these facts; if he knew them he would change his mind toward Liberia and her patriotic, hard-working and struggling people.



# America's Wealth in Wild Animals

---

By RAYMOND S. SPEARS

*Conservation Director, American Trappers' Association*

---

**F**ORTY years ago the Ozark Mountains, Missouri and Western Arkansas comprised the finest game region in the United States. Thousands of tons of game were shipped from there, and many thousands of barrels of bear oil. Flocks of wild turkeys flew over those wildernesses. In all Arkansas at present it is doubtful if there are 3,000 wild turkeys. Nothing more than reasonable protection of wild life in Arkansas during the breeding season would have enabled every family in the State to live during the present period of distress on wild game, and this without depleting the supply noticeably. Fur animals that should abound in the streams of Arkansas include mink, muskrats, beaver and otter. In the mountain districts bears, foxes, wildcats, panthers (swamp cougars), wolves, raccoons and opossums would normally find a congenial habitat. The wild products of Arkansas should be yielding \$5,000,000 annually—enough money to support every family in the “hungry regions,” which are in the very woods and cane ridges where wild life would be immediately at hand for alleviation of the hunger.

Trappers of wild furs and hides in the United States, it is estimated, receive about \$65,000,000 a year. As our land area is approximately 3,000,000 square miles, the return per square mile is estimated at about \$22. Oregon, with 96,000 square miles of what was once the “prime fur country” of

America, now earns about \$250,000 annually in fur from its wild lands, or perhaps \$2.60 a square mile. The vast wild land area of the Western States, from the Rocky Mountains to the Pacific Coast, hardly averages in wild hides and furs more than \$3 a square mile, as compared with \$55 a square mile in Pennsylvania and \$40 a square mile in New York.

The green timber, Appalachian and densely populated areas east of the Mississippi River supply the bulk of the furs and wild hides of the American fur trade. Coyotes, bobcats (Western lynx), some of the foxes, martens, mink, large bear hides and the like are out of the West. Certain areas, as in Idaho, Northern California, or along the Continental Divide, yield in restricted localities some good catches. However, it is Louisiana with 48,000 square miles, yielding \$7,000,000 in fur annually from its marshes, that produces more than twice as much fur as the 1,000,000 square miles west of the east slope of the Rocky Mountains. The conditions in Louisiana are exceptional. Muskrats grow in a natural habitat of marshes that yield ample supplies of roots, foliage, stems, vegetation and whatever mussels, fish or meat on which these rodents feed. The yield of \$140 or so a square mile includes the fur and skin of mink, otter, wildcat, raccoon and other animals, but the muskrats provide more than \$5,000,000 of the total sum.

No account of production in the wild or native fur-growing areas can rate the country as a single fur unit, because the territory is too diversified and the kinds of fur bearers vary too greatly. The quality of the fur itself depends on altitude, weather, climate, food supply, rain and opportunities for migration in case of drought or cold. Innumerable conditions of the sort affect even a single locality, let alone a whole region. Generally speaking, there are more than 200 regions. Not many of them have been carefully studied as regards wild life production from the economic standpoint.

Pennsylvania has been the most conspicuous in the legal regulation and economic development of its wild life resources, with the result that its income has increased from \$200,000 a year in 1901 to upward of \$5,000,000 at present.

In New York the great change in public sentiment that took place in the middle '90s and grew from a taste for careless sport to a definite and intelligent conservation support by 1908-10, has increased wild life production of the State from perhaps \$300,000 a year to upward of \$5,000,000 gross. These figures, though approximate, indicate the ratio of increase in monetary values, and do not put any price on the pleasures of the millions of sportsmen and others who go into the fields, forests, deserts, mountains, lake and river terrains to satisfy an instinctive longing for primitive experience. The Conservation Department of New York in its 1930 report shows that of the total number (659,197) of hunting, fishing and fur-taking licenses issued in 1928, 37 per cent of the holders reported taking fish, game and fur-bearing animals conservatively estimated to have a commercial value of \$2,619,303. It will be noted that nearly two-thirds of the license holders did not report, perhaps because many of them killed or caught nothing. Examination of the list of quadrupeds taken is worth making:

Cottontail rabbits .....	\$564,792
Snowshoe rabbits .....	33,712
Jack rabbits .....	15,324
Black squirrels .....	6,673
Gray squirrels .....	109,617
Skunks .....	72,623
Muskrats .....	347,113
Raccoons .....	27,886
Mink .....	7,133
Red foxes .....	10,616
Gray foxes .....	2,269
Sable or marten .....	183
Fishers .....	66
Otters .....	1,135
Opossums .....	1,328
Bears .....	98
Bobcats .....	109
Deer .....	7,047
Total .....	\$1,207,724

Many discrepancies could be noted in this list, such as the 66 fishers (pekan), compared with the 1,135 otters. The men who catch the fishers are little apt to divulge the secret of their takes. The number of bears seems small, too, in comparison with the number to be expected.

The regional aspect is also interesting. Thus opossums must have come from the counties on the Pennsylvania border; fisher came from the dense Adirondack mountains, sable or marten from the green timbered mountains, gray foxes from the southern counties and red foxes from all over the State, skunks from the farm and wood-lot districts and deer, bear and snowshoe rabbits from the "big woods." Raccoons are a wood-lot product. Many are found in the Catskills, but only a few in the 4,000 square miles of the Adirondack region. Lewis County, an Adirondack region territory, has raccoons in its outlying farm regions, but not so many where the county slopes up into the mountains. The Montezuma marshes, thousands of miles of brook and stream bottoms, pasture and meadow, yield the muskrats. The area of New York has, despite its enormous population, more than 20,000 square miles of woods and two "big woods" or real forests with wilderness areas. The weight and value of the meat and fur taken is not a "wilderness" matter, but is "all



profit" from the conservation of wild-life resources of farms and stream bottoms, or of ridges and uncultivable areas.

The skunk, for example, follows long wandering trails, around and around, from barn to woodchuck hole, from brush den to stone wall fences, repassing any given point in its circuit of fifty miles or so once in every twelve to fifteen days. The skunk is one of the weasels. It rivals the muskrat in its prolific supply and fur value. But thousands are destroyed as nuisances, although in gardens, meadows, orchards and generally in agricultural regions each skunk kills enough mice, insects and noxious things to save the farmer probably from \$5 to \$10. A reasonable development of wild skunks might give New York a catch of 200,000 instead of 72,000 a year.

The raccoon list is significant. These animals, worth \$3 each, as fur and meat, exist in a ratio of one per square mile of the wooded areas. When they were left alone during the World War, a catch estimated at 75,000 was obtained in one year. High prices of furs, leading to early, late and breeding season kills, ravaged practically the whole fur list, foxes, otters and bears alone escaping, chiefly because of the difficulty of capture. Fishers were closely hunted by trappers when good ones were bringing \$150 a pelt.

One of the most interesting animals of all does not appear in the New York list of furs caught—beavers. The report of the Roosevelt Wild Life Experiment station on *Beaver in the Adirondacks* describes the results of the introduction of about 200 beaver into the Adirondacks in the days of Commissioner James S. Whipple in 1910. At that time there were not twelve wild beaver in the Adirondacks. It was conservatively estimated that there were 8,000 beaver in the Adirondack region in 1924, and now there are probably 12,000. Their value could not be less than \$120,000. In due course the beaver yield on an original investment of \$10,000 for restocking

should be at least \$15,000 annually.

So remarkable have been the results of protection and development of wild life resources in New York and Pennsylvania that the people in the potential fur-producing regions of the West have been forced to consider increasing them. In Coos County, Oregon, the matter is now under discussion. Poisoning of wild life has been stopped. In Harney County, Oregon, the prevention of poisoning operations to destroy coyotes and rodents has resulted in a marked increase in the skins taken there. One trapper caught \$3,500 worth of coyote skins in a single Winter season.

The Biological Survey, which for a long time favored the poisoning of rodents, coyotes and other wild life, has now sent its best trained observers to ascertain whether or not the killing of coyotes, mountain lions, bobcats and other animals called "predatory" has achieved the economies and profits ascribed to wild life changes. The survey distributes annually 100,000 ounces of processed strychnine, and has announced the results of carefully devised recipes in destroying animals that eat farm produce and kill sheep, calves, horses and game. The Society of Mammalogists, investigating with the Biological Survey experts, has been checking the results obtained. My own inquiries among authorities on the subject, including large numbers of trappers and observers, indicate a change to the belief that the value of wild life resources exceeds the damage done by them.

For example, the problem of predatory animals that attack sheep and domestic animals appears to rise in connection with individual animals, and not species. The possible exception may be bobcats, whose destruction of lambs is notorious. Three government trappers caught more than ninety coyotes in an effort to prevent loss of sheep in one locality in Northern California. Actually the damage was all due to one female coyote which was caught by a local trapper

when the special bounty was made \$14 for the kill. Not one of the ninety coyotes destroyed, the skins of which were worth \$350 (if prime), had been shown to kill any domestic animal. This coyote value was much more than that of the sheep destroyed.

In studying the fur regions of the United States, Pennsylvania is found to surpass Oregon in productivity. Oregon has 96,000 square miles, Pennsylvania 45,000 square miles. The \$55 production of fur in Pennsylvania per square mile probably comes from about 70 per cent of the area of the State, which would limit the production to, say, 32,000 square miles. Oregon has at least 70,000 square miles available for wild life, including fur production. The conditions there in the days of the Astor company were unrivaled anywhere. Instead of more than \$4,000,000 annual fur production, its fur resources are now far less than \$300,000 a year. An unrivaled natural fur and wild hide producing area has been wasted.

The United States has nearly 1,000,000 square miles of deserts, mountains, forests and back country where nothing is raised. The most significant statement, not only as regards the failure of the United States to produce more than the \$65,000,000 in furs it does yield, but also as regards the \$125,000,000 in furs it imports, is that of the Roosevelt Wild Life bulletin, which says that beyond a certain limit it is more economical to raise wild life than to use the terrain for domestic purposes of any kind. Those regions could easily reap profits ranging from a minimum of \$20 to several hundred dollars a square mile under adequate local protection and development, according to conditions. The population of the regions affected by failure of the fur crop is sparse and poor. Precisely such renters and squatters as those who came to town in Arkansas seeking food, and the ne'er-do-wells, would reap the fur harvest and eat the wild game.

Furs are at their best in the period

from Dec. 1 to Jan. 15. Skins worth 50 cents in September are worth \$5 in December, when the fur is prime and the skin tough. After Jan. 15 the fur fades in the sun, and is rubbed by contact with sand, stone or brush. Muskrats and beaver are an exception, for they are not fully prime till about late in February or in March, but most fur values decline after Jan. 15. The \$250,000 worth of skins and furs caught in Oregon would be worth more than \$700,000 annually if they were all caught in the prime season.

More important probably than any other protective measure would be that of leaving all the fur creatures and their country alone during the rut or breeding season, which is commonly from late January to March, and during the period of rearing the young in Spring and early Summer. The protection of all furs, except when full-prime, would in four years on the Coast, in the old Oregon Purchase, add to the rural and back country income upward of \$5,000,000 annually. A full development of resources, restocking with beaver and other wild life where needed, would, in the light of Pennsylvania's experience, bring the fur trade of Oregon alone up to \$10,000,000 or more annually, paid to the captors, and nearly twice this amount paid into the State business funds, because those furs would sell in St. Louis, Seattle, New York, Chicago and London for nearly twice the amount paid to the trappers.

The raw fur of the United States should supply at least its own needs, estimated at \$190,000,000 annually. There are, let it be repeated, no available exact statistics. The whole subject has never been covered by any department or association, and hardly by any State, though Louisiana, Pennsylvania and New York have learned that there are astonishing results to be obtained from adequate care of the creatures of field, forest and stream. Adequate fur and game development would help to solve part of the problem of rural poverty.



# The Licensed Women of Japan

---

By J. N. PENLINGTON

*Former Japanese Correspondent, The Times, London*

---

ALMOST sixty years ago, in 1872, the newly constituted Imperial Government of Japan, successor to the unique Tokugawa régime that had ruled with an iron hand for over two centuries, proclaimed the liberation of the licensed women. This decree, issued in the name of the young Emperor Meiji, was more a political gesture than an act of legislation, and was a sequel to a remarkable action in which the logic and justice of legal procedure under the English Common law were for the first time demonstrated in a Japanese law court.

A Portuguese ship, the *Maria Luz*, carrying some hundreds of Chinese indentured laborers from Macao to Peru, put in at Yokohama, and two of the Chinese, escaping and swimming ashore, made a complaint to the British consul, alleging that they were badly treated and were being transported against their will. The matter was brought to the attention of the Japanese Government on the initiative of Sir Edmund Hornby, who tells, in his autobiography, a detailed story of this case. A mixed court was constituted, composed of a Japanese judge, the English judge then stationed in the young settlement, and the United States Consul-General. It was the ingenious defense set up by an English barrister, counsel for the Portuguese captain, that was directly responsible for the imperial ordinance. He contended that the form of contract by which the Chinese laborers were engaged was similar to that by which women in the licensed quarters of Japan were bound in servitude to their

employers. The inference could not be ignored by a government engaged in effecting drastic and widespread reforms in the administration, based upon the practice of the enlightened West, as the West was considered in those days. Hence the edict of Nov. 2, 1872, by which "trafficking in human bodies" was condemned and "is henceforth rigidly interdicted."

In practice, however, the ordinance did nothing to end what was virtually a system of slavery, which continues to this day. But something had to be done in order to "save face," and the legal terms by which women were bound were altered; direct and absolute phrases became a series of euphemisms, of which the following are examples: "Minoshirokin"—the price of possession of a woman—was altered to read "Zenshakukin," meaning money in advance; "Yujoya—brothel—was altered to read "Kashizashiki," room to let; "Kakae onna"—woman in private immoral service—was altered to read "Dekasegi shogi," woman working in licensed quarters.

Thus, the only permanent change effected by the 1872 decree was in regard to the terms employed, which obviously had no bearing on the actual conditions under which the women lived and worked. Under the law, women were still bought by the payment of "money in advance," the "room to let" still indicated the brothel, and the women confined therein were "working" in the only way they are expected to work in the licensed quarters.

A quarter of a century was to pass

before the agitation began which today is an increasingly powerful national movement supported by Japanese of all ranks and many official bodies, but still opposed by the owners of the licensed houses, a wealthy class strongly entrenched, whose strength is derived both from law and custom. The question before the court of public opinion in Japan is not one of professionalism per se, but primarily of the helpless condition of women serving in the licensed quarters and held against their will by the restraints of law and custom, in defiance of the great principle of the Japanese Constitution, the liberty of the subject.

There is no clear record of organized activity in behalf of the inmates of the licensed quarters before the years 1895-1900. In the former year, the Salvation Army began its successful career in Japan, and after some years of study was about to launch a concerted attack on the system when there occurred an event worthy to rank with the Maria Luz case in its moral effects, and more important still in the encouragement it gave to the pioneers in the abolition movement.

An American missionary, the Rev. U. G. Murphy, who conducted a school for English in Nagoya, was led to study the system because of the attraction of the licensed quarters for his pupils. Determined to test the legality of the restraint exercised over licensed women, he disputed in the courts the much-violated enactment of their emancipation. The plaintiff rested his case upon Article 90 of the Civil Code, then newly promulgated, which stated clearly that any procedure contrary to social order and good public morals was illegal. To the general surprise he won his case, the court ruling that the business of licensing was contrary to good morals. The court, in its written judgment, declared that a licensed woman, even though having contracted to pay the money advanced, could obtain her freedom, and that the keeper had no

legal authority to demand her unwilling service until she was in a position to refund the money claimed to be due from her.

The result of this second legal victory in behalf of the oppressed was a campaign by the Salvation Army that has been carried on with varying success to the present day—a campaign involving physical conflict with the keepers and their henchmen, actions at law for the recovery of women, and ceaseless publicity by speech and the written word among the masses of the people.

These propaganda tactics, with which the people were wholly unfamiliar at the outset, roused press and public to an unusual degree, stirring up bitter enmity but also bringing invaluable recruits to the cause. The Army's novel mode of warfare both within and without the licensed quarters, and its effective methods of reaching the hearts of the people, were instrumental in achieving the third and last legal triumph. On Oct. 2, 1900, a law was enacted making uniform throughout the empire the conditions regulating licensing, hitherto under the independent control of each prefecture. Article 5 of the new law provided that:

When a licensed woman desires the removal of her name from the local register she must present either oral or written application. Such application, however, cannot receive attention unless the applicant appears in person at the police station. When the police receive such application, the woman's name will immediately be struck off the register.

Article 6 stated briefly: "No one may prevent a licensed woman seeking the removal of her name from the official register."

In view of the three important legal rulings in her favor briefly recounted in the foregoing, why is it that the licensed woman is still held in legal bondage? Soon after the law of uniformity was made public large numbers of women sought freedom. In 1889 licensed women throughout Japan numbered 52,247, whereas in 1901,



the year following the enforcement of the law, the number was reduced to 40,195. Thus during twelve years over 12,000 women obtained release from servitude in the licensed quarters.

Had this tendency continued and increased with time the licensed quarters would obviously long since have closed their doors. But by the fraudulent acts of women an amendment was made to the new law which once more placed them completely in the hands of the keepers. Some women deliberately accepted "money in advance," with no intention of remaining faithful to the contract thus voluntarily made, knowing that the law did not demand repayment, and the authorities, instead of punishing the infringers and maintaining the law, were persuaded to change their attitude. It was therefore decided that when a woman sought release the keeper should be called in for consultation, a practice which put a stop to all chances a woman had of securing her freedom, for by threats and menaces the keepers could always prevail. The law of uniformity thus became a dead letter; and so it remains, for nothing better has replaced it.

The chief injustice of the law, as it stands, lies in the fact that a young woman does not voluntarily enter the licensed quarter and that she does not receive the money supposed to be advanced to her. She is invariably a sacrifice, the innocent victim of needy parents or other relatives who benefit by her sale.

Within a few years of its promulgation, therefore, the relief of licensed women became impracticable, the article providing for immediate release inoperative, and soon the police were on the side of the keepers, so that it was impossible to gain freedom by any legal means. Furthermore, the women, the great majority being recruited from country districts, are ignorant, timorous and illiterate, and thus easily intimidated by the police. To a woman seeking release the po-

lice would argue that it was wrong to abandon the business while she still owed the keepers the money advanced, and would then pointedly observe: "It is fraud to leave without paying the money advanced. You are legally a criminal; are you aware of that?" Not only the keeper but the "agent" who first secured the woman, and parents and other relatives of the poor victim would be called in for consultation and would induce the girl to return to her "work" as the easiest way to appease the authorities. Not a voice would be raised in her defense.

The chief obstacles to reform, however, are custom and practice and the attitude of the masses toward the whole subject. The sale of young women to the licensed quarters is the last resort of parents, brothers and other seniors in money difficulties. Since obedience is the first duty of women, they are helpless and resigned and are commended for their "sacrifice." Such is the cruel perversion of Confucian ethics, with its duty of filial piety and implicit obedience that weighs so heavily upon Eastern women.

There is a case now before the Osaka court, in which a former patient claims damages from the Osaka Medical University for alleged wrong diagnosis. Part of the plaintiff's pleading maintains that poverty drove him to sell his 12-year-old sister for the sum of 50 yen. This statement of fact was made with the knowledge that it would arouse the sympathy of the court and by no means damage the case of the plaintiff. It is not a crime to sell a sister; it is a common practice justified by custom if not by law.

Because of mass inertia and the disposition of the authorities to side with the keepers on legal and technical grounds, the early pioneer work of the native and foreign Christian agencies was in danger of suffering complete eclipse until the greatest disaster in Japanese history awakened the public conscience and gave new life to a cause which has since grown

so strong that it is not unduly optimistic to assert that the days of the official system of licensing in Japan are numbered. On Sept. 1, 1923, earthquake and fire destroyed two-thirds of the city of Tokyo. In the licensed quarter known as Shin, or New, Yoshiwara, the largest of five established on the outskirts of the city, there was wholesale sacrifice of the lives of helpless women. The keepers, it was learned, had locked them in and the number burned to death or suffocated never will be known. Authorities place the loss of life as between five and eight hundred. In one instance 250 bodies were found in and about the pond in the centre of the quarter. Here the women had taken refuge and been burned to death, suffocated or drowned.

This calamity proved a great incentive to the abolitionists, whose ranks, long ago recruited from leading Japanese men and women, were now reinforced by public organizations throughout the country. It enormously strengthened the pioneer advocates of abolition, mainly Christian bodies. According to the Rev. P. G. Price, writing in the *Japan Christian Quarterly* (April, 1931): "Many of the most forward-looking men and women educationalists, newspaper men and statesmen came out against the system. It was a different public mind, but the idealism in it had yet no power. The keepers of the Yoshiwara sat tight, and while the storm blew they kept on building, for what are a few idealists when matched against a business in which millions are invested, entrenched in every considerable town and having representatives in every provincial assembly and the National Diet as well! The movement failed, and the Yoshiwara, with a contempt for the puny efforts of the workers, dug itself in deeper than before."

The whole system of licensing women being under strict official control, the government drawing revenue from it, regular official records are

published, which reveal that the number of licensed women is steadily decreasing. In 1920 the total was 51,143; in 1928, 49,058, and in 1930, 48,000. The following table, issued by the Home Office, gives the 1928 figures, compared with the figures for 1923:

Licensed quarters, 1928: 547, an increase of 10.

Keepers, 1928: 11,155, a decrease of 535.  
Inmates, 1928: 49,058, a decrease of 3,267.

Patrons, 1928: 22,794,200, a decrease of 611,167.

Geisha houses, 1928: 21,468, an increase of 2,022.

Geisha, 1928: 80,806, an increase of 3,705.

The decrease of licensed women shows a corresponding increase of geisha, who while not officially ranked as professionals, generally are so regarded. A summary of conditions issued by the Abolition League for the year 1930 contains the following figures: There are 48,000 girls in the licensed quarters. The registered number of "guests" runs over 22,000,000 per year. Many of the girls are forced to receive a number of visitors in a single night; twenty-five prefectures (out of forty-four) have organized abolition societies; thirteen prefectural assemblies have had abolition bills before them; eight assemblies have passed these bills; two prefectures are now without licensed quarters, Gumma and Saitama, the latter having closed the last licensed houses in December, 1930; there was a decrease of 4,000 in the number of inmates of licensed quarters.

The methods by which an inmate is subjected to her keeper and actual owner until her "debt" is paid are explained by the Rev. E. C. Hennigar (United Church of Canada), who in recent years has become prominently associated with the abolition campaign. Taking as a basis of calculation the year 1920, when the inmates numbered 51,143, the number of "guests" 27,456,053 and the amount of money spent 118,252,650 yen, averages are worked out which show that each inmate received 536 visitors a year, an



average of forty-five a month, the expenditure per visitor amounting to less than 4.32 yen (\$2.00). Of the fees collected, the keeper retains half, but in addition one-quarter is taken for the girl's board, and the balance is supposed to be her income. Out of this income, however, she is made to pay monthly for personal and other expenses a total far exceeding her actual earnings, so that, whatever her earnings, the load of debt steadily increases.

The average price paid for a young woman is about \$750, varying between \$500 and \$1,000, according to her attractions. But from the agreed price are deducted the commission of the agent who secured her, a professional type who seeks his quarry in the rural and factory districts and will receive \$50; payment for new clothes, toilet stand, &c., \$100; for traveling expenses, \$25. These sums having been deducted, the girl's guardian, who may be a parent or other near relative, will receive in the average case something over \$500. It is never the victim herself who receives the money, but it remains her debt. The girl is duly bound to her employer for six years, and from the load of debt incurred, in the ordinary case, she will never escape. The most reprehensible feature of the whole cruel transaction is its legality.

In rare instances inmates of the licensed quarters are rescued by admirers, but more frequently they attempt to escape. Two such attempts within the past year have formed the subject of legal proceedings in the courts of first instance of Osaka and Kobe, respectively. In December, 1930, the Osaka District Court decided, in the case of a woman who had fled from the local licensed quarters, that it was no crime to repudiate the debts

owing to the keeper of the house, a decision that will probably be tested in a higher court. On the other hand, an opposing judgment was obtained in Kobe. A girl who had escaped from the Kobe quarters stayed for three months in the home maintained by Miss Rose Seville of the Japan Rescue Mission in Osaka, who had instituted action in the refugee's behalf. The case was dismissed and the girl was ordered to be returned to the brothel. Four policemen executed the judgment. It is expected that this case also will be appealed, since it is not in the public interest that such diverse decisions be allowed to stand.

The attitude of the Imperial Diet is equally uncertain. While legislators in the early days laughed at attempts to enact abolition bills and treated their advocates with good-humored contempt, reformers today can rely upon a considerable following in the lower house. A bill introduced during the 1923-24 session was in committee when the attempt on the life of the Crown Prince, the present Emperor, resulted in the dissolution of the Diet. Another bill was introduced a year later which asked that no new licensed houses be permitted and no new licenses granted to women. Thus the business would have died a natural death in the course of six or seven years, the average term of service of the inmate. Seventy-seven members signed the bill. It went to special committee, and, although it was reported unfavorably to the House, it was debated and voted upon. The fact that it was defeated was not discouraging to the reformers. In the past their efforts had simply been ignored, but now they are being seriously considered, and the promoters of the bill are pledged to introduce it year by year until success is gained.

# The Fifteen Points

By ALBERT BUSHNELL HART

*Professor Emeritus, Harvard University*

THE spirited and suggestive speech on July 30 by Newton D. Baker, who was Secretary of War under President Woodrow Wilson, once more directed the attention of students of international affairs to a once famous document entitled "The Fourteen Points." That statement was given to the world by President Wilson as an outline of the conditions which he expected at the end of the war. It was received as a new gospel by the weaker European nations which had been drawn into the war and as a basis of a new international organization by the great powers among the Allies.

Mr. Baker does not assert that all its prescriptions for nation-building have been carried out or could be carried out. But he does believe that such noble ideals are possible, and that the difficulties arising out of the treaty arrangements of 1919 can be adjusted by "public discussions, open methods for their reconsideration, and public opinion to sustain wise revisions." In other words, he faces squarely the fact that politically, economically and racially the Fourteen Points with the addition he suggests are still a basis for world adjustment.

Not everybody, however, agrees that the general discussion of international problems at Geneva, in Europe, in the United States and all over the civilized world, will in the end bring about peace and happiness. That is what everybody wishes but nobody sees clearly how to accomplish it. Perhaps important elements in the adjustment of world difficulties have been left out of the discussion.

The nations are further apart and less inclined to make the sacrifices necessary for understanding than they were while the horrors of the war were fresh in their minds. The confirmed internationalists think of the world as made up of about the same kind of units as in 1914, whereas the maps of Europe and of Asia and the point of view of the peoples have been seriously altered.

The real cause of the outbreak of the World War was not German eagerness for territory nor French defense of the balance of powers. There were many stresses, but the *causa causans* of the war, still only partially recognized by internationalists, was that many of the European countries were made up of racial units which were hostile to each other, with the weaker violently protesting against the rule of the stronger.

The war actually began in the Balkans, where the admixture of races did not correspond with the boundaries of Greece, Serbia, Bulgaria and Rumania. Nobody who has not been among the Balkan peoples knows the intensity of their rivalries and the sufferings of the race minorities. The same was true of Russia before the World War, and is still true.

The fifteenth point can never be realized without giving to established race groups, using their own language, something like an equal share in the government of the country.

Another element in the way of anything resembling a permanent world understanding is the Soviet Union for much the same reasons that made Russia an important factor in the



World War. The crisis of 1914 was reached when the Russians promised to support the Serbs in their difficulties with Austria.

The rivalry for colonies which was intensified by the taking over of all the German colonies in Africa and the German settlement at Kiao-Chow in China is now somewhat diminished; on the other hand, Egyptian and Indian aspirations for independence look toward a permanent weakening of British military power. If the British are to be shaken out of India, will the people of India set up a united government which will maintain itself and defend itself against the invaders from the north who have been pouring in at intervals for 3,000 years? Neither fourteen nor fifteen points can satisfy the aspirations of hundreds of millions of people to misgovern themselves rather than submit to a better government by outside civilizations.

For the economic difficulties which are now so insistent it is hard to see a cure through closer world union. The classic free-trade political economy has been upset in the United States, largely because the country is so vast and so rich and has such a variety of products that there are few commodities that cannot be produced on reasonable terms at home. Hence it is difficult to secure from the people of the United States whole-hearted acceptance of any plan which involves international regulation of trade.

Still more serious than the effort to bring about a closer relation of nations is the status of the most populous regions of the world—India and China, both of which are endeavoring, not to enter into an international accord, but to break up their present relations, such as they are, with the sisterhood of nations, and thus deprive 700,000,000 people of the blessings of world peace.

The real question at issue today is whether a variety of nations scattered over the globe can be induced to give up portions of their governmental

powers and transfer them to a central organization. International meetings, fraternal spirit, mutual understanding based on personal acquaintance between citizens of the various countries, are invaluable in bringing about a sense of international responsibilities and duties, and the advocates of the World Court are right in their belief that no permanent adjustment of international difficulties is possible except through some central body of persons representing the various nations. Then arise such questions as whether Russia, the most populous European nation, is to be invited to enter the portals of the League of Nations and the World Court.

Such speeches as Mr. Baker's, humane, thoughtful, hopeful, are a great aid in forming public opinion, but they do not establish disarmament as the preliminary to world peace. That question goes straight back to the two conditions on which no nation will ever refrain from war. For instance, if and when the United States sees hostile forces directed toward our territory—for armed defense is war—it will inevitably go to war. If it thinks such an attack is possible, it will take precautions in advance. Furthermore, if within the United States armed forces are organized to attack the government of the Union by sea or land or air, that government will go to war to protect its authority, and it will previously take such precautions as are necessary to prevent such a catastrophe.

If Woodrow Wilson were now alive he would doubtless sustain that fifteenth point of Mr. Baker's—"Public discussions, open methods for their consideration, and public opinion to sustain wise revisions." That is, he would, as he did in his lifetime, encourage and stimulate discussion on methods for making war unnecessary. Yet if he were alive and apprehended the danger to his country such as he and most of us saw in 1917, he would repeat his policy of that year. He would prepare for emergencies.

# Electro-Medical Progress

---

By WATSON DAVIS

*Managing Editor, Science Service*

---

**X**-RAYS and radium, since their discovery, have been used effectively in the treatment of disease and the exploration of the structure of matter. Scientists, not content with the powerful radium radiations or with the intensity of X-rays produced in the tubes which are used regularly in physics and medical laboratories, are now engaged in applying millions of volts to the production of radiations and high speed particles which promise eventually to exceed nature's own efforts. This accomplishment may result in the conquest of cancer and the unlocking of the heart of matter. These two problems lie close to the centre of interest in two great fields of science—medicine and physics.

In at least five great laboratories—at Berlin, Schenectady, Washington, Pasadena and Berkeley—a friendly race is in progress to produce the most intense radiations possible. Leading radiologists are cooperating with them in some cases, eager to test the new radiations on cases of cancer. Judged by the possible usefulness of the radiations, the achievements of these experimenters are believed by many to be more important than would be the artificial manufacture of radium itself.

Radium, the chemical element which when isolated by the Curies just before the turn of the century upset the idea of the permanency of matter, produces its radiation continuously. The three kinds of radium radiations are called by the Greek letter names, alpha, beta and gamma.

Alpha rays are made up of hearts of helium atoms, positively charged, rushing along at high speed. Beta rays are accelerated electrons. These can be thought of as gobs of negative electricity, weightless, but the very essence of matter. The gamma rays given off by radium are not particles at all but true waves like radio, light or X-rays. They are nature's X-rays, with shorter wave-lengths, higher frequencies and more penetration into solid matter than the ordinary X-rays used by physicians and scientists.

The new super X-ray tubes, in effect, create synthetic gamma rays. These tubes and other devices, operating at higher and higher voltages as the experiments progress, promise to surpass even radium rays. There is hope that man will be able to duplicate one of the present mysteries of physics, the intense cosmic radiations that continuously bombard the earth from outer space.

Each of the five groups of physicists are using different methods of attack on the problem. Some are striving for large quantities of radiation like the gamma rays of radium, others are attempting to speed up material particles like the alpha rays. Some obtain continuous streams of radiation, while others have short flashes of radiation.

Dr. W. D. Coolidge of the General Electric Company, the pioneer in X-rays and responsible for the present usual form of hot filament X-ray tube, is the builder of a tube of 900,000 volts that is now being used therapeutically on cancer cases at



Memorial Hospital in New York City. Another tube of similar size is being used for research in Dr. Coolidge's laboratories at Schenectady. These tubes are essentially three smaller tubes hooked up in a series or "cascaded." The output of radiation from one tube is fed into the next and from that into the third. Dr. Coolidge is the originator of this cascading device which is being used in other high voltage apparatus as well. With similar tubes Dr. Coolidge has produced high intensity streams of electrons or negative electricity, known as cathode rays, which correspond to the beta rays of radium although not in their intensity.

At the California Institute of Technology, Pasadena, a large single X-ray tube operating at 550,000 to 900,000 volts has been used successfully and a still larger tube of the same type is now being constructed for biological experiments on cancer cases and for fundamental research on the effects of radiation upon living organisms. Dr. C. C. Lauritsen, who is in charge of the California Institute's large X-ray tubes, is working with Dr. Robert A. Millikan, head of that institution. The Pasadena tube now in use is a tall, vertical, single tube to which some 900,000 volts from a large transformer can be applied. Its target end is encased in a concrete shelter to prevent radiations from escaping too far. According to estimate, this two-kilowatt X-ray tube will give off radiations equivalent to those from at least a hundred grams of radium.

The production of X-rays as penetrating as cosmic rays, with voltages of 16,000,000, is forecast by researches of Drs. F. Lange and A. Brasch of the University of Berlin. Working in a small valley between two mountain peaks at Monte Generoso on the Swiss-Italian border, a place where thunderstorms occur frequently in Summer and early Autumn, these scientists have drawn electrical energy from the skies. With their gath-

ering system, suspended from heavily insulated hemp ropes strung across the valley, they obtained discharges of electricity which sparked 55 feet and measured 16,000,000 volts.

Assured by these experiments on Monte Generoso that nature would provide the high tension electrical discharges for their experiments, Lange and Brasch constructed in their laboratories at the University of Berlin a new type X-ray tube which would withstand such powerful discharges. They succeeded in building a tube of alternate rings of paper, rubber and aluminum which has been tested at 2,600,000 volts, continuing for an interval of a millionth of a second. These 2,600,000-volt X-rays are the most powerful yet produced. Electrons are so speeded in this tube that they drill holes an inch deep in a brass plate at the bottom of the tube, each electron boring its own hole. The Lange-Brasch X-ray tube, made of paper, rubber and aluminum instead of glass, is less than nine feet long, despite the high voltage it withstands. It is estimated that an ordinary X-ray tube to withstand such voltages would need to be fifty feet long. When a larger tube which is now building has impressed upon it the high potentials of the natural electrical discharges at the mountain laboratory of the Germans gamma rays will be produced equivalent to 100,000 grams of radium—at least a thousand times as much radium as there is now available for medical or industrial use in the world. When this experiment is performed the super-X-rays obtained will equal the cosmic rays in penetration and the projected experiments should settle the question of the nature of the cosmic rays.

Other physicists were surprised by the German findings on the insulation necessary for such high voltages. They discovered that for short discharges the insulation need not be perfect nor need the vacuum in the tube be very high. Their tube was made of irregular layers of paper,

rubber and aluminum that were simply held together by pressure. Ordinary oil, instead of high quality insulating oil, was found to be satisfactory. Electrons were obtained from a short porcelain tube instead of a hot filament, as in the case of most X-ray tubes. Porcelain is usually considered an insulator holding tightly to its electrons, instead of a source of electricity. Protons, for high speed projectiles, were obtained from jets of steam forced into the tube. The Berlin scientists in their laboratory experiments utilized an ingenious system of condensers which are charged in parallel, then switched into series connection to produce high voltages. They are now constructing a new surge generator, which will produce voltages up to 7,000,000. The experiments with high voltages and their radiations in Germany are being directed at the problem of cancer as well as that of the constitution of matter.

Similar experiments are in progress in the laboratories of the Carnegie Institution at Washington. Three physicists, M. A. Tuve, L. R. Hafstad and Odd Dahl, have constructed tubes which have operated at about 2,000,000 volts. Sparks have been generated at 5,200,000 volts and a new method promises even much higher voltages in the not-distant future. These three men and their tubes have been decorated with the \$1,000 annual prize of the American Association for the Advancement of Science.

The radiations out of their tubes are more penetrating, more powerful, more capable of harm or good than radium. Using an ingenious arrangement of a high-powered Tesla coil discharging into a cascaded tube immersed in oil under pressure, the Carnegie Institution scientists have produced fast-moving negative electrons, artificial beta rays identical with one of the radiations from radium.

The speed of an electron can be greatly accelerated by permitting it to fall, using an electrical pull instead

of gravitation. Immensely high voltages are required for this purpose. A falling electron is much like a falling brick, the further it falls the faster becomes its speed. By using high voltage, a speed of 175,000 miles per second has been attained, only 1 per cent slower than the speed of light, the fastest speed possible. Einstein holds as a central point of his relativity theory that nothing can surpass the speed of light. Speeding electrons have already been produced in X-ray tubes, but there the electrons are much slower.

As an electron cannot be broken up it sets up a very violent vibration in the atoms of any target which has been placed in its path. These vibrations traveling through the ether constitute the X-rays, which have the powers to penetrate ordinarily opaque matter. The X-rays are thus not material particles but a wave motion similar to light waves. The ether vibrations produced in these new experiments also are similar to light waves, but of shorter wave-length, of greater energy and greater penetrating power than ordinary X-rays. They can pass through three inches of lead, the most opaque substance for such radiations. These waves imitate, in all essential respects, the gamma radiation from radium.

For some purposes scientists think of the ether as a sort of rigid jelly pervading all space. An electron gives it a push at one point and a shiver quickly runs off in all directions. What the work of the Carnegie Institution has done is to produce rapidly moving electrons and thus give the jelly a great jar when they hit it. The shiver produced is violent and there are marked effects in other atoms further off. There is hope that the Carnegie Institution experiments at Washington will produce voltages of five to ten times the 2,000,000 volts achieved and utilized. In this event there will be available even more powerful radiations.



# Current History in Cartoons



PRESIDENT HOOVER (TO FRANCE): "RIGHT AWAY, MISS. AFTER YOU"  
—Glasgow Evening Times



THE ROAD BACK  
—Boston Evening Transcript



Bolshevism's  
"Watch on the  
Rhine"

—Kansas City  
Star



At that, it's  
better than  
walking

—Philadelphia  
Inquirer

**THE CARRY-OVER**  
Dame Europa: "I hope I'm not taking you  
out of your way, Sir"  
President Hoover: "Not at all, Madam, Your  
way is my way"

—Punch, London





The stronger  
the wind blows  
from France,  
the better the  
mill goes

—*Kladdera-  
datsch, Berlin*

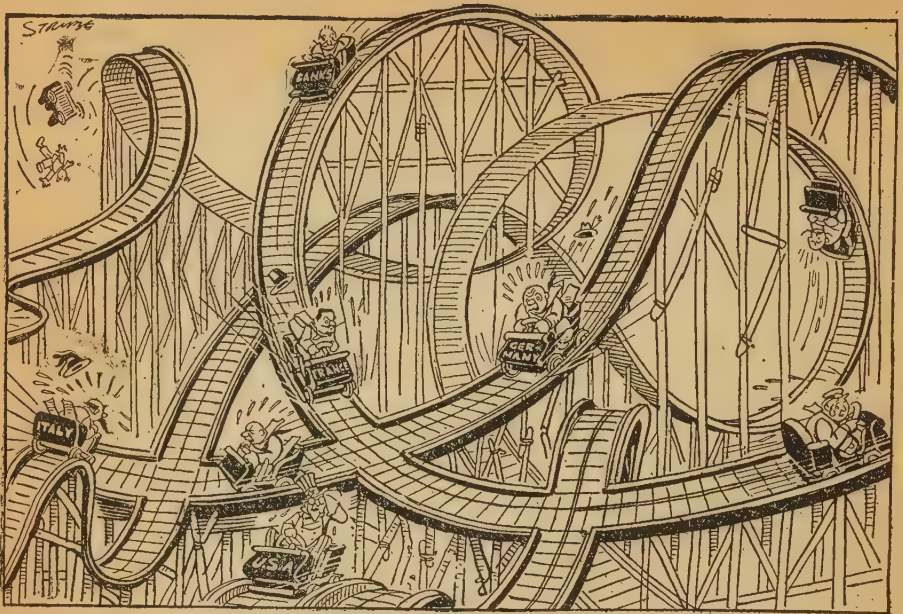


Both:  
"Gimme"  
—*Boston  
Herald.*

FRANCE PREPARES HER COSTUME FOR  
THE DISARMAMENT CONFERENCE

"Keep the coat of mail ready. Perhaps they  
may come back into fashion"

—*Il 420, Florence*



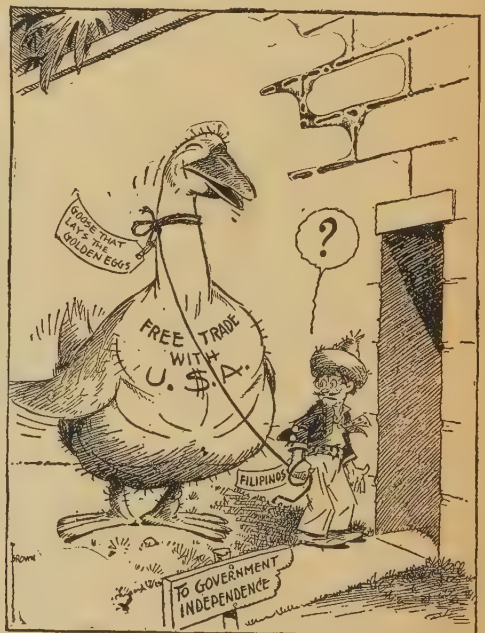
EUROPE'S FINANCIAL WHOOPEE

—London Daily Express



THE GERMAN SAMSON'S  
DESPAIR

—De Groene Amsterdammer,  
Amsterdam



THE NARROW DOOR

—New York Herald Tribune



# A Month's World History

---

## Seven-Power Financial Conference

THE four articles on the Franco-German feud in the August number of *CURRENT HISTORY* defined the basic differences that underlie the contest between France and Germany, of which the French attitude toward the financial difficulties of the Reich is but an incident. France has seen in them an opportunity to regain something of the control over Germany which was given to her by the Versailles Treaty, but which, since the fatal adventure of the Ruhr, she has been compelled to release. At every recession Briand, who, since Thoiry, has steadfastly stood for a policy of conciliation, has been compelled to proceed with the greatest caution and to use a large part of his energy in restraining the hysterical demands of his Nationalist opponents. Industrial and, to a considerable extent, financial France realizes that the bankruptcy of Germany would be a catastrophe, the effects of which could not be confined within German borders; that, if the republic should fall as a consequence of it, there is a real danger of a civil war, which might cause a conflagration the extent of which cannot be guessed. Notwithstanding all this, the French Nationalists are willing to take the risk rather than to assume a conciliatory attitude which might, they think, weaken French political prestige and

By JAMES THAYER GEROULD  
*Princeton University; Current  
History Associate*

her hegemony. Since the Ruhr, at least, the other great powers have constantly been compelled to restrain

French ambition. They have realized that permanent peace is inconsistent with German vassalage; and in the Dawes settlement, in the Locarno treaties and in the negotiation of the Young Plan they have cooperated with those forces in France which support a policy of reconciliation in paving the way for German recovery.

It is only by keeping these facts in mind that the significance of the action of the Seven-Power Conference can be understood. Superficially the results were disappointing, and they may be ineffective, but the conference did in fact block the effort to condition measures of financial relief on political guarantees which no German government could give and hope that the republic would survive.

The narrative in the August number of this magazine closed with July 15. At midnight, following that day, the British Foreign Office announced that it had been decided to summon a conference of Ministers to meet in London on July 20. The day had been one of great depression in the financial world. The pound had gone to 4.83 $\frac{7}{8}$  and all other foreign exchange had swung against London. The Reichsbank had advanced its discount rate from 7 to 10 per cent and its rate

on collateral loans from 8 to 15 per cent. Under emergency decrees the banks were instructed to honor requisitions for funds only after proof of their legitimacy. The Reichsbank was made the sole repository of all foreign exchange. In New York German issues fell heavily, and both the Dawes Plan and the Young Plan went to new lows.

The announcement of the plan for the conference of Ministers, coupled with the statement that there would be a preliminary discussion in Paris between the representatives of France, Germany, Great Britain and the United States, led to a sharp reaction of exchange the following day. This was emphasized by the news that President Hoover had informed the press that Secretaries Stimson and Mellon would attend the conference clothed with full power. While he stated that the discussion would be "limited entirely to questions of the present emergency," his action was interpreted to mean that our policy of complete isolation was at an end. There was official admission that the Young Plan might come under discussion.

The Washington dispatches of July 17 carried the statement that Secretary Stimson had reported that the French were conditioning their approval of an international loan of \$500,000,000 on its guarantee by German customs receipts, under the supervision of an international committee composed of representatives of France, Great Britain, Italy, Belgium and the United States, and that no further loans should be arranged by Germany without the consent of this committee. These stipulations were highly distasteful both in Washington and in London, and their acceptance by the German Government would have been suicidal.

Chancellor Bruening and Foreign Minister Curtius reached Paris on the morning of July 18 and were given a warm and courteous reception. During the day there were lengthy con-

versations with Premier Laval and his associates. The official communiqué described the interview as being "of the frankest and most cordial character, and turned not only on the measures necessary to overcome the financial crisis but also on the relations of France and Germany as a whole, with a mutual desire to establish durable collaboration between the two peoples." It would appear that there was agreement that the \$500,000,000 long-term loan was out of the question, both for political and for banking reasons, but that something might be done, without political commitment, to stabilize the short-term loan situation. Mr. Henderson, the British Foreign Secretary, Mr. Stimson and Mr. Mellon remained in close contact with the French and German Ministers throughout the two days of the conversations, and President Hoover, at his camp on the Rapidan, was in frequent telephonic communication with the American representatives.

A joint statement, issued by the French and German Ministers on the evening of July 19, went into further detail: "The French Government, recognizing the gravity of the crisis, declared that, under the reserve of certain financial guarantees and measures of political appeasement, it would be ready later to discuss the terms of financial cooperation within an international framework." For the present, the two governments "desire to create between them, in every possible measure, conditions favorable to effective collaborations in both the political and the economic fields." The statements were sufficiently vague, but when they are viewed in the light of the demand on the part of a large section of the Paris press, that their government should assert its power and bring Germany to her knees, they represent a triumph of moderate opinion and reflect great credit both on Premier Laval and Chancellor Bruening.

It was only after the conclusion of these conversations that the French



Government accepted the invitation to join in the Seven-Power Conference at London. On the following evening (July 20) her representatives joined those of Germany, Italy, Belgium, Great Britain, Japan and the United States at Downing Street. It had evidently been agreed beforehand that, in so far as possible, political considerations should be put aside, although they could not be entirely ignored. Mr. MacDonald's opening speech emphasized, in masterly fashion, the gravity of the situation and the necessity for common action. "Let us admit first of all to ourselves," he went on, "and confess it in our conferences, that there are some things that one or the other of us cannot do because the public opinion to which we must be loyal will not allow it. We are not here to enforce or to defeat or to humiliate; we are here to agree to something which each of us can take to our various Parliaments, explain it and get it accepted as an agreement."

President Hoover had spent the day in a series of conferences with the Acting Secretaries of State and the Treasury and with Ambassador Dawes and Senator Morrow, who had been summoned to Washington for the occasion; and when the Seven-Power Conference reassembled next morning Mr. Stimson presented on his behalf a concrete proposal. After expressing the hope that the "European nations may eliminate all friction, so that the world may rely upon the political stability of Europe," he added: "On the economic side, the present emergency is strictly a short-time credit crisis." After outlining his reasons for this belief he recommended to the German Government and the Reichsbank further and more strenuous efforts to restrain the export of capital. As for external credits, he held that the present outstanding lines, plus the freed reparations, should be adequate to meet immediate German needs. Unless these credits can be maintained it is futile to attempt to provide new ones.

The governments of the six powers, along with those of Holland and Switzerland, should "encourage their bankers so to organize as to permit the maintenance, for an adequate period of time, of the present outstanding lines of credit to Germany." As a final suggestion he recommended that the Bank of International Settlements should create a committee to provide for the renewal of these credits, for an inquiry as to the immediate further credit needs of Germany and for the development of a plan for the conversion of some portion of the short-term credits into long-term credits.

After a day of discussion, the conference, on July 23, adopted the proposal substantially as made. It recommended that the \$100,000,000 credit, recently granted to the Reichsbank, under the auspices of the Bank for International Settlements, should be renewed for a period of three months; that there should be concerted effort among the banks of the different countries for the maintenance of the volume of credits already extended; and that the Bank for International Settlements should create a committee on the supply of credits of a longer term. "The conference considers that, if these measures are carried through, they will form a basis for more permanent action to follow."

Measures so hesitating as these met with little favor in London, Berlin and in New York. The London *Times* expressed its impatience that France and the United States should have combined to evade the real issues: "The only real alternatives are revision or chaos. The earlier the work of revision is undertaken, the better it will be for everybody." In Berlin there was keen disappointment that no more effective aid had been secured; and in New York it was the opinion that the resolutions very largely registered an approval of measures that had already been taken or had been planned. The French press, however, reflected a much more conciliatory attitude to-

ward Germany than hitherto, and there are distinct signs that, in direct negotiation, something more concrete may be accomplished. There is no reason to believe, however, that the French have given up their intent to wrest political guarantees from Germany as the price of their assistance.

Following the suggestions of the Seven-Power Conference, the maintenance of short-term credits already issued to Germany was assured by British and American bankers on July 29. Further relaxation of the tense situation came with the granting of a credit of \$250,000,000 by France and the United States to the Bank of England. These actions, with the establishment by the Bank for International Settlements of a committee to arrange long-term credits for Germany, as proposed by the London Conference, tended to relieve the situation in Germany itself. When the banks there were fully reopened on Aug. 5, after having been shut for three weeks, deposits exceeded withdrawals, and no runs were reported anywhere in the country.

Announcement was made in London on Aug. 11 that representatives of Germany, France, Italy, Japan and Great Britain had that day signed a protocol coordinating the Hoover moratorium proposals with the provisions of the Young Plan. The signers were members of the international committee of experts who had been at work for three weeks on the technical aspects of the moratorium. All the other countries involved in interallied debts also agreed to the details of suspended payments, and thus the moratorium was definitely put into effect.

#### **FRENCH ATTITUDE ON DISARMAMENT**

The Secretary - General of the League of Nations received from the United States on July 10 the first

official acceptance by any government of the League's invitation to the Disarmament Conference in February. The note read: "The American Government is happy to accept this invitation and welcomes the opportunity for co-operating with the other nations in a common effort to reduce the menace and to lighten the burden of armaments under which the world is suffering."

The French memorandum in response to the request of the League for information preparatory to the Disarmament Conference of February, 1932, was published by the French Government on July 21. It was an exceedingly adroit document, but in no sense an encouraging one. If the French maintain at the conference the position which it outlines, there is little hope for success.

There is in it, as a matter of fact, little that is new. It is a restatement of the thesis that has been fundamental in all French discussion of disarmament since the war. The French maintain that a reduction of their military and naval power must be consequent upon the establishment of security. This they seem to define as the ability to preserve all the advantages, political, economic and territorial, which were secured for them and their allied States in the treaty of Versailles.

Article VIII of the covenant, so the memorandum argues, makes disarmament conditional upon "national safety and the enforcement by common action of international obligations." The phrase "common action" implies that the League shall be in a position to enforce its sanctions against an aggressor. "National safety" cannot be defined, and its conditions will vary from nation to nation. Equality of armament is consequently out of the question.

The memorandum then goes on to state the reasons why, in the present situation, France requires the mainte-



nance of her present forces; and contends that, since 1921, by successive reductions in the period of military service, she has reduced the number of her effectives by 42 per cent, and that her navy is less than that of 1914 by 132,000 tons. Further than this she cannot go. Should any attempt be made to modify the relative situation created by Part V of the peace treaty—that by which the disarmament of Germany was accomplished—"it would prove impossible to maintain the reductions already accomplished." Any greater degree of disarmament or of limitation must be consequent upon a

guarantee to every State of assistance which shall be "mutual, effective and prompt." "France stands ready to consider all general solutions; universal pledges of mutual assistance, combinations of local agreements, constitution of international armed forces, or simultaneous recourse to these several systems."

The substance of all this, it is evident, is an attempt to throw on Great Britain and the United States, which thus far have been unwilling to join in any general guaranty, the onus for the failure of the conference, should it adjourn without positive action.

## The Scholars' International

**J**ULY was a busy month for those League of Nations groups that are concerned with intellectual cooperation.

The first of them to meet was a delegation of the Subcommittee of Experts for the Instruction of Young People in the Aims of the League. The delegation discussed the revision of school manuals with a view to rectifying passages detrimental to good-will among the countries, and a special committee was appointed for this purpose. Wider distribution of publications on or of the League was recommended.

The Executive Committee of the Committee of Intellectual Cooperation met on July 13 to review the work since April of the International Institute of Intellectual Cooperation and the various committees and subcommittees, preparatory to reporting to the Plenary Committee on the activities for the entire year. The Committee of Scientific Experts, presided over by Mme. Curie-Sklodowska, met on July 17 and discussed the coordination of scientific bibliography, ways of facilitating scientific research and the exchange between countries of professors and students. The Committee of

By PHILIP C. NASH

*Director,*

*The League of Nations Association;  
Current History Associate*

Intellectual Cooperation was requested to have the institute make a study of the possibilities for laboratory work

afforded foreign professors and students and to establish a draft list of scientific laboratories. The committee further recommended technical cooperation in organizing scientific work.

The Permanent Arts and Letters Committee, composed of so illustrious a group that it is often called the "World Academy" in Geneva circles, opened its first session on July 6. Jules Destrée of Belgium was appointed chairman, and among the members are John Masefield, British Poet Laureate, Thomas Mann, German winner of the Nobel Prize, Paul Valéry of the French Academy, Bela Bartok, composer and conductor, Carel Capek, playwright and journalist and Mmes. Roll-Anker and Vacaresco. Recommendations were made to the Committee of Intellectual Cooperation that correspondence be arranged for between leaders of outstanding schools of thought, that interviews be scheduled between authorities on technical and intellectual questions and research and that the results of such correspondence and

interviews be published regularly. It was further recommended that meetings be organized to "spread knowledge of the aims, methods and results of intellectual cooperation" and that an international bibliography of translations be published as soon as possible. The rôles played in intellectual life by music, poetry, broadcasting, the drama and the cinema were discussed. The next meeting of this group will be held at Frankfort, Germany, on the 100th anniversary of Goethe's death.

The foregoing conclusions were submitted to the Committee of Intellectual Cooperation, which met in plenary session July 20, under the chairmanship of Sir Gilbert Murray of England. Dr. James T. Shotwell of Columbia University, attending the meeting in place of Dr. Robert A. Millikan, suggested the application of the methods used in the intellectual field to social, political and economic questions, in order to further the spirit of international cooperation. In response to China's request for help in reorganizing her school system, the committee appointed a group of four experts to study the situation on the ground. An exchange of Chinese professors with European professors is also being arranged by the committee.

### *THE NARCOTICS TREATY*

The narcotics treaty concluded in July and now signed by 36 nations, including the United States and all the other "indispensable countries" (France, Germany, Great Britain, Japan, the Netherlands, Switzerland and Turkey) except Turkey, has been characterized by John K. Caldwell, Chairman of the American Delegation, as "making great headway and bound to have a tremendous beneficial effect on limiting narcotics." The United States signed the convention on July 18, with six reservations, none of which affects the treaty's terms in any vital way. This convention will go into effect upon ratification by four

of the "indispensable countries" plus twenty other nations.

Medical assistance, health organization and sanitation in rural districts were discussed by the European Conference on Rural Hygiene which met at Geneva in early July. A suggested program, stressing the following points, was drawn up to guide health institutes and similar groups in their work: (1) Schools for health visitors; (2) instruction of sanitary engineers; (3) cost of health services and rural medicine; (4) rural betterment; (5) housing; (6) rapid transport of the sick in outlying districts; (7) cooperation between public health officials, architects, hygienists and others.

A League appointment of especial interest to Americans is that of Norman H. Davis of New York to the place on the League Finance Committee formerly occupied by Jeremiah Smith, Jr., of Boston. Mr. Davis was financial adviser to President Wilson and the American Peace Commission and a member of the reparations and financial commissions at the Peace Conference, and also headed the League commission on Memel in 1924.

During the past month Canada ratified the General Act for Pacific Settlement of Disputes; Rumania and France (as mandatory for Syria and Lebanon) the Slavery Convention; Poland the protocol on arbitration clauses; Italy and Rumania the convention relating to economic statistics; Rumania the convention on the execution of foreign arbitral awards; Austria the convention for the suppression of counterfeiting currency. Great Britain was the sixteenth government to sign the convention founding the International Mortgage Credit Company. Argentina signed the Geneva Opium Convention of 1925.

International Labor Organization conventions received an unusual number of ratifications, as follows: Great Britain and Liberia, the convention concerning forced labor; the



Netherlands, the convention fixing the minimum age for admission to employment as trimmers or stokers; China and Luxemburg, the 1920 convention concerning marking of weight on heavy packages transported by vessels; Luxemburg, the convention concerning protection against accident of workers engaged in loading or unloading ships. Lithuania, which, although a member of the I. L. O. since 1921, had not ratified any of its conventions, recently ratified five of them: the 1919 conventions on the eight-hour day in industry, on night work for women and night work for children, the 1921 convention on the

weekly rest in industry, and the 1927 convention on sickness insurance for workers in industry and commerce and for domestic servants. Official ratifications of I. L. O. conventions now number 437.

Austria has recently concluded with Norway and Greece, and registered with the League, treaties of friendship, conciliation, arbitration and judicial settlement, providing that all disputes between Austria and each of these countries shall be submitted to conciliation and then, if necessary, to judicial or arbitral settlement. Austria has now made eleven of these treaties, Norway fourteen and Greece eight.

## American Industrial Troubles

**I**F conditions in the basic industries, such as wheat, coal, steel and oil, are an index of the economic health of the country, then the past month offers no prospect of immediate recovery.

The plight of the farmers was, if anything, more acute, owing to a combination of circumstances—falling prices, a bumper crop of Winter wheat and the intention of the Farm Board to dispose of its holdings. Day by day the market price of wheat reached new lows. July wheat dropped to a record low of 48 cents a bushel on the Chicago Board of Trade on July 31, and September wheat made all-time low records when it sold for 48¾ cents on Aug. 4 and for 47⅞ cents on Aug. 6. Early in July wheat was selling on the farms in Kansas for 25 cents a bushel, a record for a century or more.

The Department of Agriculture estimated on July 10 that the total wheat crop for 1931 would be considerably larger than the average of the last five years. The increase was to be found in the Winter wheat crop, while the Spring crop showed a substantial reduction.

By D. E. WOLF

As a result of the extraordinary decline in price on the farm, wheat came to be used as a medium of exchange in the small towns of Kansas and other prairie States. One observer, writing in *The New York Times* on July 18 described the situation thus: "Vacant buildings in many towns are becoming granaries and in some places garages are being pressed into service. Merchants believe their investment in wheat is wise and expect to sell it for 60 cents a bushel or more in six months. This cooperation by merchants is enabling the farmers to receive 10 to 25 cents a bushel above the market quotation on wheat. In Elkhart and Dodge City today, with wheat selling at 30 cents, farmers could get 50 cents a bushel in trade for motor cars, stoves, furniture and other commodities. In other Wheat Belt towns the general merchandise stores have joined the movement and a farmer's wife can truck in her load of wheat and trade it in on a basis of 10 per cent above the market for a Summer dress or a Fall coat."

Kansas was the most vocal of the farm States in making known its

woes. One of its chief grievances was the decision of the Farm Board to buy no more wheat and to sell its accumulation of between 200,000,000 and 300,000,000 bushels. This announcement induced extreme nervousness despite the fact that the board stated on July 1 that it would sell no more than 5,000,000 bushels a month, and this in such a way as not to depress prices.

On two occasions the administration's hopes of improving the wheat situation were disappointed. President Hoover was confident that the effect of his debt moratorium plan on Europe would benefit the American farmers, since economic recovery abroad would open up new markets to them. Mr. Hoover expressed this view in a telegram to Senator Capper on July 18. But this prediction failed to raise wheat prices nor was there any immediate revival of European trade.

Another partial disappointment resulted from a proposal, through Ambassador Sackett in Berlin, that the German Government buy large amounts of wheat and cotton from the Farm Board on liberal credit terms. Germany received the idea of buying wheat without enthusiasm, having a heavy home crop of her own. Since the German tariff on wheat was duction, estimated at 160,000,000 bushels this year, has greatly increased. Nevertheless, Germany offered on Aug. 8 to buy 22,000,000 bushels of wheat from the holdings of the Federal Farm Board in order that German farmers might sell part of their crop to obtain money which they urgently needed.

Raw cotton is one of Germany's crying needs at the moment, her textile mills having allowed their stocks practically to run out. Furthermore, cotton enters Germany duty free. Thus the proposal that Germany buy part of the Farm Board's holdings, estimated at 1,300,000 bales of 500 pounds each, on long-term credit was favorably received; in fact, an offer

for 600,000 bales of cotton was made on Aug. 6.

But on Aug. 7 the Farm Board rejected the offer for several reasons, one of which was that in Ambassador Sackett's original offer to Germany five weeks before a minimum price had been stipulated. In the interim, however, the price of cotton had fallen so low as to wipe out that minimum, and this provision therefore did not appear in the German offer. The Farm Board made a counter-proposal which was explained thus: "The effort now being made by the Treasury Department to expedite payment to German nationals under awards of the arbiter of certain German claims, if successful, would place the German bank in possession of an even larger amount of dollar exchange than the value of this proposed transaction in cotton and would enable German business to make its purchases directly from the producers and the trade in the normal way."

The Farm Board felt impelled also to refuse a previous offer of the Amtorg Trading Corporation to buy 250,000 bales of its holdings for Russia. Carl Williams, vice chairman of the board, explained on July 9 that, being a government agency, the Farm Board could not enter negotiations with an agency of a government which the United States did not recognize. He added that the credit terms proposed by the Amtorg had also been unsatisfactory.

Oil as well as wheat suffered a price avalanche during July and early August. The price of crude oil, on the decline for many months (it was \$1.29 in June, 1930), reached a record bottom in Oklahoma of from 10 to 22 cents a barrel early in July. Producers in Texas, Oklahoma and Kansas organized "producers' strikes" — joint agreements to stop production at these ruinous prices, not only to save themselves from bankruptcy but also to conserve the oil resources of their States. Oklahoma oil producers petitioned Governor Murray on July 10 to



shut down production by executive order until the price of crude oil should reach \$1 a barrel. Oklahoma has what are called proration laws, regulating oil production for the purpose of conservation. Although believing that he was empowered to act under these laws, Governor Murray waited in the hope of similar action by Texas, where a special session of the Legislature had been called to deal with the emergency. After a Texas court had overruled a proration order on July 24, however, Governor Murray took action. On Aug. 4 National Guardsmen closed the Oklahoma City field and martial law was declared to enforce the shut-down. The Governor's orders affected 3,016 oil wells. Refiners immediately started court action to restrain the Governor, who, however, declared that the courts "can't do a thing."

In an attempt to solve the problem from another angle, a group of independent oil producers petitioned President Hoover to declare an embargo on petroleum, under Section 337 of the tariff law, which authorizes the President to prevent unfair methods of competition which would harm an American industry. The Department of Justice denied this request, explaining that the tariff law was intended to apply only to individual importers guilty of unfair practices.

The precarious economic situation of the railroads (for a detailed review of which see Mr. Smith's article on page 827) was graphically described before the Interstate Commerce Commission, which began its hearings on the proposed 15 per cent increase of freight rates on July 15. The 5¾ per cent profit, which the commission fixed in 1922 as a "fair return," has never since that time been earned by the railroads. According to the commission's own figures, the return was as low as 2.96 per cent in 1921 and never went above 5.15 per cent, the profit in 1926. Urging a 15 per cent rise in freight rates, the representative of the railroads maintained that

the roads are now being run as efficiently and as economically as possible, and that the only further saving lies in a reduction of wages, which they are unwilling to propose. They argued that still lower revenues would imperil the railroads' chief source of capital, since savings banks and insurance companies, which invest heavily in railroad bonds, are prohibited by law from buying the securities of any railroad which has not earned 1.5 times its fixed charges over a period of five or six years. If the railroads were forced to continue to operate with insufficient revenues, their spokesmen predicted that the standard of service was bound to deteriorate, with inevitable detriment to the public.

The bituminous coal industry continued to be afflicted by serious labor troubles. (See article by Sidney A. Hale, page 813.) The three-cornered fight in Western Pennsylvania among the operators, the United Mine Workers of America and the National Miners' Union (the Communist organization) came no nearer a settlement, but, if anything, grew more bitter. The demands of the N. M. U., which was reported to hold the allegiance of the majority of the strikers, were higher wages, a union check-weight man at every mine, enforcement of the eight-hour day and recognition of their union.

At the suggestion of John L. Lewis, president of the United Mine Workers of America, President Hoover was considering the calling of a conference of miners and operators. Meanwhile, living conditions among the striking miners were going from bad to worse. Reports of first-hand observers painted appalling pictures of despair and starvation. Southern West Virginia and Southeastern Ohio were also the scenes of serious coal strikes. Reports of riots and the shooting of four miners came from these districts. The first sign of real progress was the settlement of the Pittsburgh Terminal

case, ceding an eight-hour day and wage increases to 2,400 miners.

Violence also characterized the strike of the Associated Silk Workers and United Textile Workers at Paterson, N. J. There also the Communist element was vying with the conservative unions for control of the strikers, who were said to number about 6,000.

Labor disputes have been increasing throughout the country, according to a report of the Department of Labor on July 28. On July 25 the department was busy trying to settle eighty-three disputes, directly involving 56,245 workers. In the first six months of 1931 alone 447 disputes were reported, compared with 653 for the whole of 1930.

The United States Steel Corporation announced a reduction of salaries, but not of wages, on July 28, in making public its income report for the three months ended June 30. At the same time the quarterly dividend on common stock was reduced from \$1.75 to \$1. Net earnings for this quarter were \$7,391,355 for both classes of stock, in comparison with \$32,126,717 in the same period of 1930.

The wage-scale controversy, which has been flickering ever since the depression began, flared up during July as a result of a letter in which Secretary Lamont admitted that wage-cuts were permissible in cases where it was a question of that or entirely closing down a plant and increasing unemployment. This was interpreted as a reversal, or at least a relaxing, of the administration's opposition to any general wage reduction. President Hoover hastened to reassure labor that he had not changed his stand in the least. On July 28 he issued the following brief statement: "No member of the administration has expressed the view or holds the view that the policy of the administration in advocating maintenance of wages should be changed. It has not been changed."

Another administration policy which remains inflexible is that concerning unemployment relief and the dole.

(See Governor Ritchie's article, page 849.) President Hoover let it be known that he still considers relief a local problem, to be handled, as it was last Winter, by State, municipal and voluntary committees and funds. The Federal Government should co-ordinate these activities and give further help through the Federal Employment Bureau. There must be no handing out of Federal funds as a dole or in any other way. Late in July Mr. Hoover began to face the problem of next Winter. He called into conference, among others, Secretary Doak, John Barton Payne, chairman of the Red Cross, Julius H. Barnes and Silas H. Strawn. It was believed that the President was anxious to forestall any attempt on the part of Congress to enact a dole next December, by having an adequate plan already in operation. "The problem, whatever it may be, will be met," he declared on Aug. 7.

There are two other important administration policies, recently enunciated, which on the face of them seem contradictory. On July 24 President Hoover dispatched a personal letter to all heads of government departments sternly ordering them to cut down their expenses and their budget estimates for next year. Pointing out that the economies he had hoped for had not materialized, Mr. Hoover said:

In view of the fact that our receipts are falling off materially from the amount estimated at the time of the preparation of the budget for 1932, and the consequent large deficit indicated for the current fiscal year, I wish again to bring to your attention the seriousness of our financial situation and desire that you assure yourself that all those in your department are impressed with the urgent need for economies and postponements in view of this emergency.

Less than two weeks after this warning, the Navy Department announced a \$129,385,000 building program for 1932. The program, designed to create a full "treaty navy" on a basis of complete equality with the British Navy, contemplated the construction of two aircraft carriers, six



fleet submarines, one flying-deck 10,000-ton cruiser, one London treaty 6-inch-gun 10,000-ton cruiser, one destroyer leader, and equipment for the aircraft carrier now under construction.

#### WICKERSHAM COMMISSION

The Wickersham Commission on Law Observance and Enforcement, appointed by President Hoover in May, 1929, ended its official life on July 1, with a number of its reports still unpublished though practically completed. Of these, five were submitted to the President during the following five weeks, two dealing with prison conditions, two with judicial and police corruption, and one with alien deportation.

The problem of children convicted for Federal offenses and sent to Federal prisons was the subject of a report published on July 8. Although the Federal prison system has no adequate machinery for handling child offenders, the report stated, there were 2,243 children in Federal prisons in the last six months of 1930, most of them under conditions which were wholly intolerable. In some places there is no provision for separation of children from adult criminals, according to the report, while in others children are confined alone in dark, airless cells, without work, play or companionship. Even in the best institutions silence is imposed and flogging is not unknown. The report conceded that the Department of Justice was aware of the situation and doing its best to find a remedy. It recommended that these children be turned over to State courts and State institutions, which had evolved more intelligent methods of dealing with juvenile delinquents.

Turning to the whole prison system of the nation, the commission submitted a report on July 26 which was even harsher in its criticism of conditions. The whole system was characterized as "antiquated and inefficient," since "it does not reform the

criminal. It fails to protect society. There is reason to believe that it contributes to the increase of crime by hardening the prisoner." Classification and segregation of prisoners was the first step advocated. After the diseased had been weeded out, the remainder were to be divided among three types of prisons, providing maximum, medium and minimum security. An investigation in New York State, cited by the report, showed that of 8,000 prisoners examined, 41.8 per cent required maximum security, 34.7 per cent medium security and 24.5 per cent minimum security. In the light of these figures, the report deemed it extravagant as well as unnecessary for the States to continue building "fortresses" such as Auburn.

In its study of 3,000 Federal and State institutions and their 400,000 inmates, the commission found overcrowding to be one of the worst features. In 1930, it was revealed, Federal prisons housed 65.9 per cent more than their capacity. Overcrowding necessitated idleness and this resulted in breaches of discipline. A survey showed that in sixty-eight prisons and nineteen reformatories the punishments most used were loss of privileges, isolation cells, and bread-and-water diet.

The antiquated, traditional system of prison discipline, in some cases cruel and inhuman, should be forbidden by law, declared the commission. Prison personnel should be more carefully selected, better trained and more highly paid. For prison labor, the contract system, now abolished by law, was condemned, and the "State use" system and employment of prisoners on public works advocated. The indeterminate sentence should be adopted in the future when prison administration has been reformed and when the power of terminating or prolonging a sentence can be entrusted to a responsible agency. Parole and probation systems should be greatly developed. "No man should be sent to a penal institution until it is definite-

ly determined that he is not a fit subject for probation." Although parole is widely used, only 42 per cent of the prisoners released in 1927 having served their full time, the commission found that methods of supervision of paroled prisoners were inadequate. Probation, however, is a very great economy, since imprisonment, in New York, for example, costs the State nineteen times more.

To its wholesale condemnation of the present system the commission made a tardy reservation, when reminded by Sanford Bates, director of the Federal Prison Bureau, that his bureau was putting into effect as fast as it could nearly every one of the commission's recommendations. A summary of Mr. Bates's program is to be found in an article, "Ending Federal Prison Scandal," by Charles Stevenson, in July CURRENT HISTORY.

The evils which prevail in our minor courts were the subject of a report submitted by the commission on July 15. This report aroused much interest, as it contained a comment on the historic Mooney case of California. The commission deemed it "shocking to one's sense of justice" that the California law held no provision for a new trial upon new evidence or evidence of perjury committed by witnesses and discovered after the judgment. Because of this shortcoming in the law, the trial court was able to deny a new trial, and upon appeal the Supreme Court of California upheld the decision.

The commission next trained its guns on the police system of the United States in a report issued on Aug. 1. It revealed what so many investigations in the past have revealed—the three-cornered alliance among the politicians, the police and the underworld in most of our large cities. It characterized as the great evil the control of the Chief of Police by the politicians who appointed him and who have the power to discharge him. It was found, in fact, that in ten cities of 500,000 or more population the

average term of the chief is only 2.41 years. Each change, furthermore, is accompanied by the familiar "shake-up" in the department, and the pernicious system of political influence thus pervades the entire force downward to the patrolmen, who are accused of being deficient not only in character but also in adequate education to discharge their duties. The report pointed to the Socialist administration of Milwaukee as a shining example of separation of politics and police. The last Police Commissioner of that city held office for thirty-three years, and the present one has ruled since 1921. Milwaukee was said to be comparatively free from crime, and to have an excellent record in detecting and convicting criminals.

The Department of Labor's methods of deporting aliens came in for devastating criticism in the tenth report of the commission, made public on Aug. 8. Immigration officials have used their power much more widely during the business depression and, according to the report, with consequent injustice and oppression to the individual in many cases. The authority of the central bureau which acts on the evidence submitted by officers who find the prospective deportees is absolute. Not even the President can reverse the decision. The report suggested the establishment of a board of alien appeals appointed by the President, entirely independent of the Department of Labor.

The work of the Wickersham commission, virtually completed with the filing of this report, was undertaken in the spirit of the Hoover philosophy—that when the public has been informed of the truth, more than half the battle of making the truth prevail has been won. It has been unfortunate that throughout its investigations popular attention has been riveted on recommendations rather than on findings. This was particularly true of the first two reports, which concerned prohibition and which were submitted in January, 1930, and Janu-



ary, 1931. The first sketched the status of prohibition enforcement and advocated a program of legislative and administrative reforms. The second created a sensation because of an apparent contradiction between the joint recommendations and the individual dissenting opinions.

### THE PHILIPPINES

Agitation for Philippine separation from the United States, which was given a new impetus by Senator Hawes's "declaration of independence" (see August CURRENT HISTORY, page 754), continued during July. The agitators, however, continued nimbly to sidestep the problem of what would happen to Philippine trade if immediate independence were granted and the island products were subjected to our tariff law.

Governor General Davis's message to the Insular Legislature on July 16 sternly criticized the pork barrel methods of politicians in allotting pub-

lic works appropriations. He suggested that the legislators give more of their attention to economics and less to politics. Needless to say, the message was received without applause.

Meanwhile Manuel Quezon, President of the Philippine Senate, was completing his independence mission to Washington. After a farewell call on President Hoover on July 30 Mr. Quezon reiterated his belief that the Philippine people are ready for immediate independence, even without any free trade arrangement with the United States. He declared that anything would be an improvement on the present situation. On Aug. 5, however, a Washington report in the *Manila Bulletin* stated that Mr. Quezon, during his visit in Washington, had been working toward a protectorate which would involve an advantageous trade agreement. Secretary of War Hurley left for the Philippines with Mr. Quezon on Aug. 8. He will report back to President Hoover in October.

## United States-Mexican Relations

RELATIONS between the United States and Mexico improved to a marked degree during July. Reports that President Ortiz Rubio, as a result of the slaying of the two Mexican students in Oklahoma, had instructed his two sons to withdraw from the United States and proceed to Canada, were officially denied on July 4. Four days later the United States Government expressed regret to the Mexican Government for the slaying of the two youths.

The arrest on July 7 of Adolfo Dominguez, the Acting Mexican Consul in Chicago—which was unwarranted, since only Federal courts have jurisdiction over foreign Consuls in the United States—aroused a storm of hostile editorial comment in Mexi-

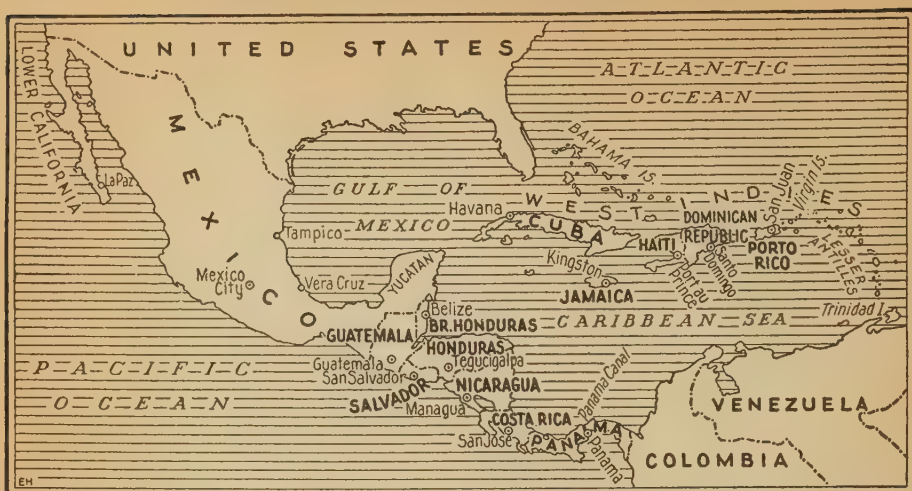
By CHARLES W. HACKETT  
Professor of Latin-American History,  
University of Texas;  
Current History Associate

can newspapers and prompted Mexican Ambassador Tellez to lodge a vigorous protest with the Depart-

ment of State. The Department of State on July 10, following the receipt of the note of protest from the Mexican Government regarding the arrest of Consul Dominguez in Chicago, and subsequent to the expunging by the Chicago Municipal Court of the order calling for his arrest, sent a note to the Mexican Government expressing regret for the indignity.

### CHURCH AND STATE TROUBLES IN VERA CRUZ

Catholic authorities continued during July to refuse to recognize the validity of the recently enacted law of the State of Vera Cruz which limits



MEXICO AND CENTRAL AMERICA

the number of priests for that State to eleven, or one for each 100,000 inhabitants.

Archbishop Leopoldo Ruiz y Flores, Apostolic Delegate, on July 22 announced that the Bishops of three dioceses in the State of Vera Cruz had, with his approval, agreed that the priests in that State should continue to minister to Catholics until forced to desist. "We will not name eleven or any other number of priests to function within the State of Vera Cruz, for that would imply the acceptance of the law," the Archbishop declared. "President Ortiz Rubio has advised me he is unable to interfere with the sovereignty of the State of Vera Cruz in legislating on Catholics or other matters and that our remedy must be by petition to the Legislature." The Archbishop may have reasoned that the law meant the virtual wiping out of the Catholic religion despite the constitutional provision that the number of priests within the Mexican Republic must be "according to the needs of each particular district," since Article 130 of the Mexican Constitution states that "the State Legislatures shall have the exclusive power of determining the maximum number of ministers of re-

ligious creeds, according to the needs of each locality."

The enforcement of the new religious regulations in the State of Vera Cruz was attended with bloodshed and violence. Two Catholic priests were slain in their church in Vera Cruz on July 25 while they were giving religious instruction to a group of children. When shot, the two priests were functioning under injunctions issued by a local court which restrained interference with the practice of their religious duties, and Bishop Guizar Valencia of Vera Cruz on July 26 telegraphed vigorous protests against the murder to President Ortiz Rubio and Governor Tejada of Vera Cruz.

Catholic priests of Vera Cruz on July 27 were advised by Archbishop Ruiz y Flores, the Apostolic Delegate, that they were free to decide for themselves whether to leave their churches or to continue their religious offices in defiance of Governor Tejada and the recently enacted State religious law. The same day Bishop Guizar Valencia was informed that seven additional priests had been forcibly expelled from the State. Federal troops were reported to be patrol-



ling streets in the vicinity of churches at Vera Cruz and elsewhere.

#### **MEXICO ADOPTS SILVER STANDARD AND REVISES BUDGET**

The economic depression and the unprecedented drop in the value of silver continued during July to react so unfavorably on the rate of exchange between gold and the Mexican silver peso and also on the income of the Mexican National Government that drastic action was taken by the government to correct the situation. Early in July quotations of gold were already approximately 30 per cent over silver pesos, but by July 18 gold quotations ranged from 34 to 37 per cent over silver pesos and by July 30 gold quotations were as high as 50 to 55 per cent over the silver pesos; these quotations compare with a normal quotation of gold over silver pesos of 3 per cent. As a result, whereas early in July \$1 bought 2.65 pesos, by July 31 in Mexico City \$1 bought between 3.50 and 4.00 pesos. Normally \$1 is worth a few centavos over 2 pesos.

To help in meeting an estimated \$7,000,000 deficit in its budget for the current fiscal year, the Mexican Government on July 12 effected economies totaling \$2,000,000 by reducing army pay from 25 per cent on the salaries of generals down to 10 per cent on the salaries of soldiers. A total reduction of \$7,500,000 in the wages of Federal employes was decreed. Various extraordinary taxes also went into effect on Aug. 1. These included a 1 per cent tax on the gross receipts of all industry, commerce and agriculture as shown in income tax reports for 1930 or the first semester of 1931; a 2 per cent tax, not retroactive, on operations and inversions of capital, exploitation of subsoil rights and property transfers; a doubling of the income tax on salaries; a 1 per cent tax to be applied to last year's receipts on the gross income of professional men; a 5 per cent tax on receipts from

fares of automobile, airplane, railway and steamship companies; a 30 to 45 per cent tax on factory prices of cigars and cigarettes; a 5 per cent tax on the gross sale of matches; and an increase in taxation on beer, sports and public amusements.

To remedy the gold and silver crisis, Mexico, by legislation effective on July 27, was placed on a silver basis, with gold coinage no longer legal tender. The unit of the national monetary system is now the silver peso. Bank bills are legal tender, as is also fractional money in silver and copper, and silver pieces to the value of two pesos; 2-peso silver pieces will not be legal tender after six months, and within that period they must be changed at banks. The coining of further silver pesos is forbidden under severe penalties, and the minting of further fractional money is allowed only in cases of urgent necessity, while new coinage of gold is suspended. The exportation and importation of gold, in either currency or bars, is declared free. Gold deposits held by banks may be withdrawn up to 30 per cent in gold coinage and the remainder at par; commitments contracted in national gold will be liquidated in the new coinage decreed on July 25, except in the limited number of cases stipulated by law. This new legislation, devised by former President Calles, now president of the Banco de Mexico, altered the exchange rate between gold and silver; the premium of gold over silver had been approximately 36 per cent on the morning of July 25, but upon reports that the Calles plan was imminent, the market dropped more than a dozen points. By July 29, however, as pointed out before, offers were current to buy gold at a premium of 40 to 50 per cent above silver.

The early resignation of United States Commissioner Fred K. Nielsen from the United States-Mexican Claims Commission was announced by Acting Secretary of State Castle

in Washington on July 27. Although Mr. Nielsen's position is not subject to the approval of the Mexican Government, he was characterized as *persona non grata* to that government, and his continuance on the commission had, according to reports, complicated discussions between the two governments to extend the life of the claims conventions, both of which, the special as well as the general claims convention, were to expire on Aug. 31. According to authoritative reports, claims involving \$675,000,000 were still pending before the general and special claims commissions, on both of which Mr. Nielsen was the United States commissioner. The reported basis for Mexico's considering Mr. Nielsen *persona non grata* is his alleged exception to some of the methods employed by the Mexican commissioner and by Umpire Alfaro of Panama in disposing of important claims.

The third Pan-American Medical Association Congress met in Mexico City from July 26 to 31. Other gatherings largely American in Mexico City during July included the Sixth Seminar on Mexico, conducted under the auspices of the Committee on Cultural Relations with Latin America, and attended by about 150 persons from the United States, and the Summer school conducted by the National University of Mexico primarily for persons from the United States and attended by 350 students.

Minister of Communications Almanzan stated on July 11 that the Standard Oil Company of California had agreed to advance approximately \$3,000,000 to the Mexican Government on petroleum taxes. Payments are to be made in monthly instalments of \$400,000 and the money is to be spent for highway construction.

#### NICARAGUAN MUNICIPAL ELECTIONS

The designation by the Department of State of Major C. F. B. Price of the

Marine Corps as "electoral observer" of the Nicaraguan municipal elections in October was announced on July 11. Explaining the appointment of Major Price, who was a member of the electoral missions of 1928 and 1930, the State Department said that the plan of having an observer of the municipal elections "leaves to the Nicaraguans responsibility for the conduct of these elections before American supervision of their national elections is finally withdrawn. It is hoped that, by this preparation, Nicaragua will be in a position to conduct free and fair elections without assistance after 1932."

#### REBEL ACTIVITY IN NICARAGUA

An engagement on July 9 between a Nicaraguan National Guard patrol, commanded by Second Lieutenant C. H. Clark of the Marine Corps, and Sandino insurgents resulted, according to an official report to the United States Navy Department, in the killing of one rebel, the wounding of three others and the capture of rebel arms and other supplies. Rear Admiral Arthur St. Clair Smith, commander of the Special Service Squadron in Nicaragua, reported on July 17 that conditions on the whole in the country were quiet. Two days later a skirmish between a patrol of the National Guard, commanded by two marine officers and a Nicaraguan Lieutenant, resulted in the wounding of the latter and the death of three rebels and the wounding of several others. That same week-end the death of at least eight men and the wounding of several others were reported as the result of fighting between National Guard patrols and rebels in scattered places throughout Nicaragua.

#### GOVERNMENTAL MONOPOLIES IN COSTA RICA

A government gasoline monopoly, to become effective when the President issues regulations and when arrangements for purchase and distri-



bution are completed, was authorized by the Costa Rican Congress on July 5. Government insurance and alcohol monopolies had been previously established. The proceeds from the gasoline monopoly must be used to relieve the present financial difficulties of Costa Rica. Ultimately, it is anticipated that the funds may be spent on public buildings and the improvement of highways.

---

#### *POLITICO-ECONOMIC DISCONTINUED IN CUBA*

A coalition of the Liberal and Popular parties, which are pledged to support President Machado "in constitutional reforms in the form indicated by genuine public opinion, and including without fail Presidential elections in 1932," was announced on July 1, but their efforts appeared by July 10 to be checkmated by the conservative members of Congress. Although greatly in the minority, they had succeeded in preventing action in the House of Representatives by refusing to attend, thereby preventing a quorum for the discussion of the proposed reforms.

While the political deadlock thus continued, disturbances throughout the island caused the government to keep up its fight against revolutionary activities. Following vague reports of impending popular outbreaks, the government on July 5 took the extraordinary precaution of quartering 500 trusted reserves at downtown headquarters in Havana; the following day police arrested both the secretary and the attorney of the Tobacco Workers' Union on charges of inciting conspiracy at Matanzas. The climax to the politico-economic discontent for the month came on July 16 when two unidentified assailants fired a fusillade of shots at Dr. Clemente Vásquez Bello, President of the Senate and leader of the Liberal party. The following night bomb explosions near the homes of Senator Grau, son-in-law of President Machado, and

Senator Fernández convinced the police that well-organized terrorist plans were in operation. On July 19 and 20 five students were arrested, charged with the attempted assassination of Dr. Bello. Two persons were seriously wounded on July 26 when a crowd in Santiago attacked a street car in a determined effort to force the street car company to suspend service in sympathy with the boycott movement to cut down the price of electric current.

Further disorder, accompanied by the declaration of martial law in the Provinces of Havana and Pinar del Rio, occurred on Aug. 9, when three persons were killed and fourteen wounded in a battle between the police and supposed revolutionists near Havana. In Pinar del Rio seventeen prominent Cubans, including two brothers of former President Menocal, were seized as leaders of a revolutionary movement.

---

There was a marked division of opinion in the Audiencia Court of Havana on July 9 over the appeal of eighteen political prisoners who were being held at Cabañas Fortress. The First Section of the court ruled that the prisoners' plea for liberty was not justified while the Second Section ruled that they should be set free. Two days later President Machado sent a complaint to the Supreme Court in which he asserted that the judges of the Second Section of the Audiencia Court of Havana had been biased in favor of the Cabañas prisoners, inasmuch as they had declared: "The conspiracy is only a fabrication of the police." Furthermore, it has been charged that the judges were members of the conspiracy of which the Cabañas prisoners were accused.

---

In a political duel fought on July 14 between Rogerio Zayas Bazán, former Secretary of the Interior and Senator from Camaguey Province,

and Senator Modesto Maidique, also of Camaguey, Senator Bazán was mortally wounded. The duel grew out of rivalry for the control of the Liberals of Camaguey. Since Senators are immune from arrest and cannot be tried without the consent of the Senate, no action was taken at first, but a court inspection on July 17 gave rise to the suspicion that in the course of the duel two persons fired on Sena-

tor Bazán, thereby indicating that he was the victim of an assassination plot. Four days later the Senate voted unanimously to remove Senator Maidique's Parliamentary immunity. Maidique thereupon fled from Havana and on July 24 was reported to have reached Tegucigalpa, Honduras, where it was thought he would remain, since Cuba and Honduras have no treaty under which he might be extraditable.

## Chilean Dictatorship Overthrown

THE collapse of the military dictatorship of President Carlos Ibáñez del Campo of Chile on

By HENRY GRATTAN DOYLE  
*Professor of Romance Languages,  
George Washington University;  
Current History Associate*

July 26, followed by his departure from the country, marks the end of a régime that had weathered the political storms of 1930, the "revolutionary year" in Latin America, and leaves only one "strong man" government in South America — that of General Juan Vicente Gómez in Venezuela. As in the governmental changes occurring last year, economic factors are at the bottom of the overturn. In fact, the late President's ability to remain in the saddle during the Summer and Fall of 1930, while governments were toppling in Bolivia, Peru, Brazil and Argentina was undoubtedly due to the more favorable economic situation of Chile, which had a fairly prosperous year in 1929, and which had not yet begun to feel to the same degree as other countries in South America the effects of the world-wide depression. Throughout the year 1930 friends of the Ibáñez régime pointed with pride to Chile's more fortunate position with respect to these factors, and it was only with the early months of the present year that admissions of distress began to be made, though a program of economies has been in effect for a year or more.

The economic forces against which

President Ibáñez strove were too strong for him; world prices for copper and nitrate, Chile's chief products,

were against him. In dealing with the nitrate situation, his program was partly successful, for he was able to bring to fruition his plan for a consolidation of Chilean nitrate activities into one great corporation, the so-called "Cosach" (*Compañía Salitrera de Chile*), in which the government had a large financial interest, and which was in a position to control absolutely Chilean production of nitrate; but the ambitious scheme for continuance of the world-wide nitrate "cartel," with absolute control of production of both natural and synthetic nitrates and therefore of world prices, failed; and the ability of German manufacturers of synthetic nitrate to undersell the Chilean product spelled the doom of the plan and indirectly of the Ibáñez régime and its hopes of extricating Chile from her economic difficulties.

From the standpoint of opinion here there is another aspect of the news from Chile which should be borne in mind. It is admirably illustrated in a recent remark of our American philosopher, Will Rogers, who after expressing a wish to be American Ambassador to Mexico goes on to say: "I could attend the dinners and bull-fights and make speeches at



both, and listen without laughing (much) to the Americans saying 'We got to take this country over and civilize it like ours.' Like ours! Ha! Ha!" The self-satisfied contrast with our own conditions, which Mr. Rogers demolishes with a phrase, is easily made, but one must bear in mind that conditions in Latin America during the past two years have been just as exceptional as they have been here. Few experts on Latin-American affairs would have been willing to admit five years ago that all three of the great "A. B. C." nations of South America (Argentina, Brazil, Chile) would see their governments overthrown in a single year; the idea would have been inconceivable. Present-day economic conditions make it as unfair to judge the capacity of South Americans for developing political stability by recent events as it is to judge by the same criterion the validity of North American claims to industrial capacity.

As far as the Chilean situation is concerned, we must remember that the Chileans are an enlightened, progressive people, often called "the Yankees of South America" (a comparison they do not especially care for), with a fine educational system, an advantageous position in the matter of illiteracy, a modern social outlook, and unquestionable capacity for the economic development of their country, which by their energy and industry they have brought forward, in spite of enormous handicaps, to a leading position among Latin-American countries, economically, politically and as a naval and military power. To call them backward or incapable of self-government, or to term their elimination of the Ibáñez Government "just another South American revolution" is a manifest injustice.

In the first place, the changes that have occurred, while revolutionary, are not a revolution in the usual sense. They have been accompanied

apparently by relatively little loss of life, though even that is regrettable. The new government is not a revolutionary one or a military or civil "junta," but represents a constitutional succession to civil power, following the departure of the President—a situation that the United States has recognized by an official statement to the effect that since the changes have been within the spirit of the constitution, the recognition accorded the previous government remains in effect. In the second place, the removal of the President has been accomplished after a long period of trial, which was made in the hope that his program of efficiency and economy in government, development of public works, promotion of commercial prosperity and his progressive program of social welfare, would be worth the high price in destruction of democratic government, restriction of freedom of speech and of the press, and loss of other constitutional rights. North Americans have been willing to



SOUTH AMERICA

abridge these rights in times of crisis as well.

General Ibáñez, like other fallen leaders in South America, may thank the university students for beginning the movement that led to his downfall. By the same token General Uriburu is facing grave difficulties in Argentina. In Uruguay, Paraguay and Ecuador, student strikes are or have been a problem. The part played by students in the Bolivian, Peruvian and Argentine revolutions of last year has been duly described in CURRENT HISTORY. A kinship of political idealism seems to run throughout the Latin-American student world; in fact, the students are the only groups that justify the common error of dealing with aspects of Latin-American life as uniform throughout the republics. In their radicalism, their belief in "the people," their demands for self-government and for political progress and their willingness to die for their ideas, they show a striking similarity in all of the countries. (Unfortunately, among their commonest ideas are opposition to Pan Americanism and suspicion of the United States.) It is this group, represented by students of the University of Chile at Santiago, who touched the match to the powder-magazine over which President Ibáñez had been living for nearly a month.

The elements which constituted that powder magazine have already been described. The economic depression had struck home to Chile and to the apparently impregnable President, in spite of his well-organized government, his support from the army and navy, his splendid national police, the *carabineros*, well drilled and equipped, which had supplanted local police both in the cities and in rural regions, his spy system and his apparently subservient Congress, in which the old party system had been pretty well emasculated. Even the prestige of his enlightened program for penal reform, workmen's compensation and social insurance and other

welfare measures of a progressive character, was to be swept away in the kaleidoscopic hurly-burly of an eventful two weeks.

Rodolfo Jaramillo, Premier and Minister of Finance, resigned with his Cabinet on July 9, only a few days after he had announced a drastic economy program. Thereupon the President appointed as Premier Francisco Garcés Gana, president of the Bank of Chile, who undertook unsuccessfully to form a Cabinet. On July 13, Pedro Blanquier, former director of State railways, whom Garcés Gana had sought as Minister of Finance in his projected Cabinet, assumed office as Premier and Minister of Finance, heading a Cabinet, representative of various party groups, which included Juan Esteban Montero as Minister of the Interior and Carlos Aldunate Errázuriz as Minister of Foreign Affairs. Two of the former Ministers, General Pedro Charpin (War) and Admiral Hipólito Marchant (Marine) remained; their resignations had not been accepted by the President when all the other members of the Jaramillo Cabinet went out of office.

The new Cabinet on July 14 announced an economy program which involved serious cuts in military expenditures through drastic reductions in personnel, limitation of enlistments and postponement of the call for conscripts for the year, and on July 15 a partial moratorium on debt services abroad, effective until Aug. 1. A statement issued on the following day admitted that payment of foreign debt services could not be made without reducing the gold reserves of the Bank of Chile below the statutory limit set in 1925 when the bank was established. It declared that the government would deposit in Chilean banks the amount of debt service payments when due, as an earnest of its intention to guarantee ultimate payment. Drastic salary cuts were decreed on the same day. Another highly significant action of the new



Cabinet was a statement of policy under which freedom of the press was restored and political exiles might return to Chile. Continuing his policy of frankness, the new Premier announced on July 18 that the total debt of Chile was 4,500,000,000 pesos (about \$570,000,000), requiring for interest and sinking-fund payments yearly more than 300,000,000 pesos (about \$40,000,000); at the same time he estimated that the budget deficit at the end of the current year would amount to about \$18,000,000. This statement was received with concern both in Chile and abroad, but the public reaction in Santiago was one of willingness to face the facts and make whatever sacrifices might be necessary. The failure of the Lucerne conference on extension of the two-year nitrate cartel and the imposition by Germany of tariff and import restrictions on natural nitrates, increased the financial gloom. For the Cabinet there was apparently nothing but praise for its frankness and for its liberal political policies.

On July 21, however, the Cabinet suddenly resigned, without explanation other than they "had encountered difficulties which were insurmountable." On July 22, Garcés Gana, whose efforts to form a Cabinet earlier in the month had failed, accepted the Premiership and formed a Cabinet in which supporters of the President were dominant. Again the Ministers of War and Marine significantly remained at their posts. Announcement of the resignation of the Blanquier Cabinet and of the assumption of office of the Garcés Gana group led to demonstrations in the streets, while students of the National University and of the Catholic University voted a four-day strike "in commemoration of the four days of liberty" under Premier Blanquier.

On July 22 students seized the main university building and hung out banners marked "Libertad," while other students demonstrated in the streets and Plaza de Armas. On July 23 an

ultimatum was issued to the students by the new Premier, Carlos Froedden, a close friend of the President and a captain in the navy, who had succeeded Garcés Gana after the latter had held office but one day. This ultimatum, which gave them until 10 P. M. to abandon the university building under penalty of being fired upon, was not put into effect. Support of the student body came from the Medical Association, which voted to call a city-wide strike if troops fired on and injured any of the students. The students now openly demanded the resignation of the President. A statement by the President raised the bogey of communistic propaganda, and explained that the downfall of the two previous Cabinets had been due to his refusal to accept some of their suggestions which involved "too drastic reductions of salaries and the destruction of vital parts of the administrative system of the country." Whether this had to do with reduction of the army and navy or of the carbiniers was not made clear.

On July 24 the students were driven from the university by force and two of them were killed by the troops. A further Presidential statement charged former Premier Blanquier with having attempted "the annihilation of the national defense." The tense situation continued throughout the following day, a woman being killed in the Plaza de Armas, while the Bar Association came to the support of student demonstrators. A meeting of prominent citizens called by the President was unattended. Strikes of school teachers, engineers, clerks and other workers inaugurated a policy of passive resistance to the government, and a general strike was considered.

The end was now in sight. On July 26 President Ibáñez handed over authority to Pedro Opazo Letelier, the President of the Senate, who became Vice President and acting President in accordance with the constitution. The military Cabinet headed by Captain Froedden had previously re-

signed, and the acting President named Juan Esteban Montero, who had served in the Blanquier cabinet, as Minister of the Interior and Premier. Congress refused to grant the request of General Ibáñez for permission to leave the country, rescinding a previous vote under which such permission was granted, and demanded his prosecution. On July 26 the former President crossed the border into Argentina.

Señor Opazo, a relative of Señora de Ibáñez, immediately fell victim to the resentment of the people against the Ibáñez régime, resigning his post as acting President in response to public demands. Juan Esteban Montero, the Premier, thereupon assumed the acting Presidency in accordance with the constitution, and Luis Gutiérrez succeeded him as Premier and Minister of the Interior, with a Cabinet which included Pedro Blanquier, the popular idol, as Minister of Finance; Carlos Balmaceda as Minister of Foreign Affairs, Commerce and Lands; Pedro Godoy as Minister of Education and Francisco Cereceda as Minister of Industry and Agriculture, while the new Ministers of War and Marine were General Carlos Saenz and Admiral Calixto Rogers. Both Senate and House passed resolutions declaring the office of President vacant, thus clearing up the question left by the wording of the Ibáñez resignation, which was somewhat ambiguous. Amnesty for political prisoners and those in exile was declared. Students and other volunteers, including fifty women students, acted as traffic police in lieu of the carbineers, who were kept in their barracks to avoid clashes with the civilian population.

Acting President Montero has refused to become a candidate for the Presidency in the elections, which have been announced for Oct. 4, in spite of widespread support from leaders in the movement against the former President. Leaders of the Civic Party, which the students generally

support, announced that neither Arturo Alessandri, a former President who returned from exile on July 30, nor Ladislao Errázuriz would be an acceptable candidate. Classes at the University of Chile were resumed on Aug. 3. On Aug. 6 President Montero appointed a commission of eleven as a fact-finding body to investigate the Ibáñez régime, including Cabinet members, diplomats, secret police, the government-owned newspaper *La Nación* and secret funds of the President.

### THE SITUATION IN ARGENTINA

Signs of serious difficulty, perhaps of a break-up of the Uriburu régime, continue to appear in Argentina. Student disorders, which have come to be so significant in Latin-American political upheavals, are only one phase of the government's problems. Its own actions give every indication of a determination to perpetuate in power either itself or a government satisfactory to it, on the ground that the principles of the successful revolution of last year so require. Congressional elections have been announced for Nov. 8, but no definite announcement as to Presidential elections has been made. In a newspaper interview on Aug. 3, however, President Uriburu declared that, provided the political parties nominate candidates not connected with the deposed Irigoyen régime, Presidential elections will be held at the same time as elections for Congress. He further declared that he did not oppose the Radical party as such, and that "if suitable candidates were offered by that party," the provisional government would not oppose them. What constitutes "suitable candidates" leaves a great deal to the discretion of the Provisional President.

In the meantime President Uriburu has deported some twenty leaders of the Personalist (Irigoyen) wing of the Radical party, as well as former President Marcelo T. Alvear, a Radical party leader who has not been



definitely associated with that wing. The grounds for deportation were a charge that the exiles were said to be involved in a plot to cause bloodshed throughout Argentina and that the abortive uprising in Corrientes province was part of the plot. This uprising began on July 21 in the city of Corrientes, capital of the province of that name, under Lieut. Col. Gregorio Pomar, who with his men was soon forced to flee to Paraguay. Martial law was then proclaimed in the territory under the jurisdiction of the Third Army Division, of which General Luis Bruce is commander and which includes the provinces of Santa Fe, Corrientes, and Entre Rios and the territories of Formosa, Misiones and Chaco. Curiously enough, this is part of the territory which under the Irigoyen régime was controlled by "interveners" appointed by Irigoyen—a step which had a great deal to do with the downfall of his government. Numerous arrests of Personalist leaders were reported in Catamarca and Tucumán provinces, while the national headquarters of the Radical party in Buenos Aires were closed.

It was reported on Aug. 1 that the cabinet was in disagreement with the Provisional President because of his attitude toward calling presidential elections on Nov. 8, the cabinet urging that he call them without conditions and the President insisting that "satisfactory" candidates be named.

Student disorders are likewise troubling the President with centres of disturbance at Córdoba, where the government has dismissed ten professors and expelled thirty-two students, at Buenos Aires and at La Plata. It will be recalled that the students were enthusiastic supporters of the revolution which placed General Uriburu in power.

Freedom of the press, which has been seriously restricted under President Uriburu, is another troublesome issue. A number of papers, including *La Tribuna Libre*, *El Mundo*, *La Vanguardia*, *El Diario Socialista* and *El*

*Independiente*, have been suppressed for brief periods or indefinitely because of criticisms of the government. Judge Moreno, who in the course of a habeas corpus hearing for the release of the former editor of *La Crítica* declared that a political prisoner has the right to choose deportation rather than imprisonment and further said that that right "was the only individual guarantee left intact by the state of siege," was removed from the bench. *La Crítica* is still in the hands of the government, which has apparently placed obstacles in the way of its resumption under a different name after promising to permit it, and its editor and his wife are still in jail.

A dramatic raid on the headquarters in Buenos Aires of the Soviet commercial agency on July 31 and the arrest of more than a hundred persons was followed by charges that the Soviet agency had been "dumping" non-Russian goods purchased in other South American countries on the Argentine market and later by reports that the agency had been the focal point for subversive activities throughout South America. Among documents seized were receipts purporting to show payments by the agency to Dr. Mario Guido, elected vice governor of Buenos Aires province on the Radical ticket with Dr. Pueyrredón. It was also revealed that Dr. Pueyrredón had been counsel for the agency. It was reported that Argentina would ask for the extradition of the head of the agency, Alexander Minkin, from Montevideo, and that Uruguay was also concerned over "Red" activities there.

#### THE GRAN CHACO

Paraguay on July 12 accepted the offer of Argentina to mediate the latest dispute between Bolivia and Paraguay over the Chaco. It is rumored that Bolivia has also accepted. Argentina has expressed willingness to use her "good offices" to settle the basic dispute, but Bolivia

has replied that she prefers direct negotiations to that end, according to the same report. The most hopeful sign is the apparent willingness of both nations to agree to a "non-aggression" pact, and the pending arrival in Buenos Aires of Daniel Sánchez Bustamante, former Foreign

Minister of Bolivia, who was chief of the Bolivian delegation during the conferences held in Buenos Aires in 1929, promises much if, as reported, he is to resume conversations looking to adjustment of the difficulties between the two countries, which severed relations early in July.

## The Drain of Gold From Britain

THE Bank of England on July 16 had the largest gold reserve since 1928. By the end of the

month some \$160,000,000 of it had been drawn to France. The bank responded unsuccessfully by raising its rate to 3½ per cent on July 23 and to 4½ on July 29, and the nation was shocked by the suggestion that the only way to stop the drain was to secure credits from France. In the light of the political situation that was distinctly distasteful, but a way out was found on Aug. 1 by the establishment of a \$250,000,000 credit jointly by Paris and New York. New York had resolutely refrained from taking advantage of its ability to draw British gold, but Paris had had political fish to fry. A further reason for cessation of the outflow of gold was the realization in France that the enormous French credits in London and New York were closely tied up there with British and American credits to Germany and that a continued flow of gold to Paris would speedily bring about again the situation which President Hoover had attempted to cure.

This crisis deepened the tone of financial sobriety already prevalent in Great Britain. On July 13 Lord Macmillan's Parliamentary Committee on Finance and Industry had, after nineteen months' study, submitted an extremely interesting report. It recommended (with various

By J. BARTLET BREBNER  
*Assistant Professor of History,  
Columbia University;  
Current History Associate*

reservations and an almost complete, vigorous dissent from Lord Bradbury) that Great Britain adhere to the

international gold standard, that stabilization of prices at present levels be contested by attempts to lower the international value of gold in terms of wholesale commodities, that foreign loans should be made on a greater scale by the leading creditor countries, and that the Bank of England fiduciary note issue be moderately increased. In addition, it approved the creation of a single large finance corporation to underwrite international and domestic flotations in the interest of easing credits for industrial expansion. The committee's terms of reference were non-political, but Lord Bradbury's dissent was skeptical of price stabilization and placed the blame on the burden of unproductive public debt, high public expenditure, high distribution costs and the maintenance of an unjustifiably high standard of living.

This dissenting opinion anticipated the report of the committee, headed by Sir George May, which was understood to recommend reductions in social services and public salaries amounting on an average to 10 per cent, except for the navy, army and air force. Mr. Snowden, Chancellor of the Exchequer, answered some Conservative hints that the nation must take precautions against bankruptcy by denying that there was any



such prospect, but he warned Parliament that trenchant economies must be effected.

The political note of economic sobriety even found its way into the trial of Lord Kysant and H. J. Morland for circulation, with intent to deceive, of false annual statements of the Royal Mail Steam Packet Company. The question at issue concerned the employment of reserves to pay dividends at a time when new borrowings were being undertaken. Morland, a public auditor, was acquitted, but Lord Kysant was sentenced to twelve months' imprisonment, against which he entered an appeal.

There were no unexpected or remarkable developments in the legislative program, but the settlement of the coal miners' problems had to be in the nature of an emergency stop-gap. The act suspending the seven-hour day was due to expire on July 8, and in March the Prime Minister had begun negotiations with owners and miners to secure agreement as to hours and wages. These efforts were unsuccessful up to the legislative eve of the act, so that new legislation had to be pushed through Parliament legalizing the seven and one-half hour day. In Scotland the new law was evaded by continuance of the "spread-over," which involved eleven days of eight hours in a fortnight, but it was hoped that a new wage agreement

might be made and Scotland fall into line. The Geneva Convention as to miners' hours has not yet been ratified by enough nations to bring it into force, but the British miners looked forward to it as a firm foundation upon which to base their wage demands. On Aug. 3, the Coal Mines Reorganization Committee made its report to the government. It found the present situation "positively self-destructive" and recommended the consolidation of the thousand or so existing colliery organizations into six on a regional basis, the closure of some hundreds of mines and the co-ordination of production, sales, transportation and research. This would mean the dismissal of about 100,000 miners, but the committee admitted that its program could be only gradually carried out.

#### *ECONOMIC CONDITIONS IN THE IRISH FREE STATE*

The Irish Free State has not been spared the incidence of the prevailing economic depression. External trade for the year ended May 31, 1931, fell off about 16 per cent from the year before, with an increase in the adverse trade balance. Reduced British purchasing power was considerably responsible, but much of the increase in the adverse balance was owing to a spectacular change in commercial relations with Soviet Russia. The mar-



THE BRITISH EMPIRE

ket for Irish-made Ford tractors was lost, entailing a drop in exports from \$5,000,000 to \$1,500,000, whereas the increased availability of Soviet products increased Irish importation of them from \$15,000,000 to \$37,500,000. Then the finances of the Shannon electrical development scheme became tangled owing to the board's having exceeded its allowance by \$12,500,000 and committed itself to still further expenditure. The Dail showed its interest and confidence in this first great State project by voting to it an additional \$10,000,000.

### *POLITICAL CORRUPTION IN CANADA*

The Canadian Parliament during July in a real sense provided a forum for the investigation and discussion of national affairs. Three official inquiries were concluded, two of which were followed by remedial action.

The committee which investigated the Beauharnois Light, Heat and Power Corporation revealed an unsavory state of affairs. Two Senators had made enormous profits through their connection with the enterprise, the general manager had made contributions of approximately \$950,000 to the political parties of the Dominion, Ontario and Quebec, and the close relation of members of Parliament with the legal and financial affairs of the corporation was destructive of confidence. The report was most outspoken in its condemnation of three Senators, the general manager and the secretary-treasurer. The Senate had taken no disciplinary action in the matter when Parliament prorogued on Aug. 3, but the Prime Minister had rushed through the Commons two bills designed to secure completion of the navigation end of the project and the necessary diversion of water from the St. Lawrence. He promised protection for legitimate investors and he took the recommended precaution of securing consultation from Quebec before proposing his legislation.

On July 6, Peter White, K. C., who had been appointed under the combines investigation act to inquire into the moving-picture industry, reported that a combine did exist, that of the Famous Players Canadian Corporation, a subsidiary of the United States Paramount Publix Corporation. This finding empowered the Dominion Government to conduct prosecutions to bring the dictatorship to a close and give the helpless independents a chance, but no course of action recommended itself. Next, the House of Commons Committee on the Canadian National Railways made its recommendations. These proposed the erection of a commission to undertake a complete survey of the general problem of transportation in Canada, the curtailment of all Canadian National Railway projects involving capital expenditure, the publication of all higher salary lists, the abolition of Sir Henry Thornton's retirement allowance of \$30,000 a year and the abandonment of the Canadian Government Merchant Marine, with precautions for the maintenance of certain obligatory services. It was subsequently announced that all Canadian National Railways salaries above \$3,600 would be reduced by 10 per cent from Aug. 1.

Mr. Bennett's legislative program went ahead fairly successfully. In spite of the Opposition argument that it would deliver the Canadian tariff for ten years to the friends of high tariffs, his bill for a tariff board passed its third reading and went to the Senate. The budget (and its tariff proposals) suffered little change, although the income-tax alterations were dropped on July 17 and the duty on imported periodicals was amended in response to wide protests from newsdealers and the public. Magazines were divided according to their content of advertising matter (where the difference in prices of manufactured goods between Canada and the United States is quite striking). Those with less than 20 per cent were to enter free, those with between 20



and 30 per cent at 2 cents a copy, and those with over 30 per cent at 5 cents a copy. Periodicals or newspapers composed largely of fiction and feature articles were to pay 15 cents a pound.

On July 13 in Ottawa, and on July 15 in Canberra, the proposed trade agreement between Canada and Australia was submitted to the respective Parliaments. Its general effect would be to put Canada on terms of equality with Great Britain and in a much more favorable position than the United States in the Australian market, and to open Canada to Australian tropical fruits, wines and brandy. At present Great Britain has 42 per cent, the United States 23 per cent and Canada 3 per cent of Australian imports, but it was hoped that Canadian exports of lumber, wood products, canned salmon and motor-car chassis would greatly increase, for the existing emergency surtax on Australian imports applies equally to all countries.

The Parliamentary debates after which the Statute of Westminster was approved without division revealed important changes of attitude on the part of the Conservative party and the French-Canadians. The statute embraced the recommendations of the Imperial Conferences of 1926 and 1929 for the legal recognition of the actual emancipation of the dominions from British legislative power. It had been held that Quebec opposed Canadian power to amend the Constitution because of fears lest her French Roman Catholic minority might be threatened, and that the Conservative party wished to retain the appeal to the Privy Council from motives of loyalty to Britain. Yet the discussions of the statute seemed to indicate that both these positions had been abandoned and that the Dominion and the Provinces would work out in conference procedures for amending the Constitution and for dispensing with the judicial appeal to Great Britain.

The plight of the Western farmers

grew worse with a fall of about 7 cents in the price of wheat. It was estimated, also, that the crop would amount to only 50 per cent of the average. There had been a 10 per cent cut in acreage, the drought area was about 7,000,000 acres, and there was a carry-over from 1930 of 130,000,000 bushels. Some consolation was found in a distinct increase in the South American markets, even in the face of Argentinian competition.

#### — **AUSTRALIA'S FINANCIAL PLIGHT**

The Commonwealth and State Governments of Australia have set to work to put into effect the Melbourne Agreement made in June for the reduction by 20 to 22½ per cent of salaries, public-service expenditures and interest rates. Mr. Theodore, the Federal Treasurer, bringing in his budget on July 10, stated that with the extension by Great Britain to Australia of the Hoover moratorium principle the estimated deficit for 1931-32 would be reduced from \$25,000,000 to a little over \$5,000,000. The radical members of the majority Labor party were outspoken in criticism of what they considered the sacrifice of native Australians to foreign lenders in the interest reduction plans, but the fact that the Melbourne Agreement had been an interparty affair rendered the government secure. Premier Lang of New South Wales signed the agreement on July 7.

Serious results of the crisis in the State of New South Wales were reported in a dispatch from Sydney, dated Aug. 6. That day there was no payment of salaries to public servants, including 11,000 teachers and 4,000 policemen, and it was stated that there was little likelihood of money being available soon. The same day, after refusal of millers to supply flour to a bakery supplying bread to the government at a cheap rate for distribution to the unemployed, the

government seized thousands of tons of flour awaiting shipment to the Far East.

### INDIAN PRINCES' ATTITUDE ON FEDERATION

The indecision and the disintegrative tendencies which characterized India during the interval between Round Table Conferences continued to increase during July. The Princes met in conference at the Gaekwar of Baroda's palace near Bombay at the beginning of the month to consider the situation which was created by the Maharajah of Patiala's opposition to the Sankey federal scheme. The Nawab of Bhopal, the Chancellor of the Chamber, had sent out a questionnaire to which he received sixty replies, fifty of them favorable to the Sankey scheme. There were, however, forty-nine failures to reply and the Maharajah of Patiala found himself unable to attend the conference. He declared himself still in favor of federation, but disliked the proposed arrangement, and it became evident that he enjoyed considerable support among the smaller States. A rival federal scheme drawn up by Sir Prabhaskar Pattni envisaged two Indian federations, one for British India and one for the Native States, with a Union Council. Thus the Princes' support, which originally was the best guarantee of success, has been distinctly modified.

The Congress Party also had its troubles and tried to rid itself of them by having Gandhi and Pandit Jawaharlal Nehru go to Simla for what seem to have been mere bargaining conversations with the Viceroy. Nehru, who is leader of the All-India Nationalist group, has been

stirring up the peasants of the United Provinces in no-tax and no-rent campaigns. Gandhi managed to keep the newspaper men on edge by refusing to make up his mind about going to London. Communal tension was great and there were riots in Srinagar. Terrorism, too, broke out again with an attempt on the life of the Governor of Bombay and the assassination in court of Judge R. R. Garlick.

The first positive note was struck on July 20, when the Federal Structures Committee was warned to be in London on Sept. 5, and the Minorities Committee on Sept. 26. Fifteen names were added to the first of these committees and it was noted that Moslem representation had been strengthened thereby. On Aug. 5 the new composition of the Minorities Committee was made public, and it too revealed an increase in Moslem strength.

The rebellion in Burma continued in spite of a somewhat unsatisfactory proclamation of amnesty to all save rebel leaders. It spread into the Northern Shan States and more troops were sent to Burma to assist in the repressive campaign.

### ADULT SUFFRAGE IN CEYLON

Ceylon held its first general election under adult suffrage in June with interesting results. The poll amounted to 58 per cent, including about half the women on the register. The total result was one of distinct popular approval of the Legislative Council's having accepted the new constitution. Party lines had not crystallized, but the breadth of representation was healthy, including even immigrant estate labor. In two cases the Sinhalese elected Englishmen over candidates of their own race.



# French Welcome German Ministers

THE French Parliament has been in recess since July 4 and, except for the sitting of the Senate as a High Court of Justice for three days, political activities have been centred at the Foreign Office or at the Ministry of the Interior, which is the home of the Prime Minister, or in the various places where members of the Cabinet have had to preside at ceremonies and to deliver speeches.

The visit to Paris of Chancellor Bruening and Dr. Curtius on July 18 and 19 was hailed as an event without precedent in the last sixty years. It was successful in a social sense since the reception at the station was courteous; the German Ministers were greeted by the crowd with cries of "Long live peace!" After the various meetings between the French and German statesmen, during which German needs and French views were frankly discussed, the two German statesmen left to attend the Seven-Power Conference in London. Chancellor Bruening, on departing, told of his gratitude for the "friendly and warm welcome" he had received in France and of his anticipation of fruitful results from Franco-German collaboration.

The French press was, in general, pleased by the "historic and moving gesture," as Prime Minister Laval called this first visit of a German Chancellor to Paris. The press was also pleased that the French Government had been successful in maintaining in London the position that it had decided to adopt before starting, namely, that the discussion should be limited to the examination of the financial and economic problems of Germany. The policy of extreme cautiousness displayed by France in refusing to venture on any new under-

By OTHON G. GUERLAC  
Professor of French,  
Cornell University;  
Current History Associate

takings without definite guarantees, while it met with foreign censure and with the criticism of the Social-

ist paper, *Le Populaire*, and the strictures of *La Volonté* and *La Victoire*, seems to have corresponded to the feelings of the average Frenchman. Even Joseph Caillaux said that, in cases like this, if the necessary precautions are not taken, "not merely does one not save the person whom one tries to save from drowning, but one runs the risk of drowning one's self." Obviously the French Government, and the French people, as represented by both the Parliament and the press, did not feel altruistic enough to be willing to drown with their former enemy. In spite of this stern and businesslike policy, there was undoubtedly a real clearing up of the Franco-German atmosphere as the result of the meetings in Paris and London.

M. Laval who, by his antecedents and temperament, is, like M. Briand, committed to a broad international policy, but who cannot lose sight of the Parliamentary majority on whose support he depends, expressed feelings that are certainly sincere both at the closing session of the London conference and in his statement to the press. To the members of the conference, echoing the words of his German colleague, he expressed the hope that "this conversation between Frenchmen and Germans would be only the first of a series of acts leading to a policy of Franco-German co-operation." To the press he stated that his meeting with Chancellor Bruening might lead to a policy of "trusting collaboration with Germany," adding that "there is no credit without confidence. There will only be confidence in the world when har-



FRANCE AND BELGIUM

mony reigns between the two great nations."

### THE ACQUITTAL OF SENATOR PERET

The French Senate, sitting as a High Court of Justice on July 23, acquitted after a three days' trial Senator Raoul Péret, former Minister of Justice, on charges of abuse of public office in connection with the Oustric financial collapse. By this decision the three other defendants, Senator René Besnard, former Ambassador to Rome, Albert Favre and Gaston Vidal, former Under-Secretaries, were likewise automatically acquitted. Three questions were asked, to each of which the Senators, by varying votes, responded in the negative. The first vote stood at 207 to 55; the second, 224 to 28, and the last, 176 to 66. A long and detailed judgment, explaining the acquittal on the basis of lack of evidence, was framed during a secret session after the lawyers' pleadings and the last statements of the accused themselves had been heard publicly in open session. Péret's defense was especially impressive.

Although clearing the defendants of the charges against them, the verdict contained the statement that certain

of the acts revealed were "deplorable" but involved no more punishment than the publicity given to this reprimand. This was exactly what *Le Temps* a few months ago recommended as an adequate penalty for the indiscretions or indelicacies involved. Thus France was saved the disgrace of seeing one of the most esteemed of her former Ministers, an ex-Speaker of the House and a possible candidate for the Presidency of the republic, sentenced to jail for violation of two articles of the code, one of which was abandoned by the prosecution, while the other, dating back to 1810 and having never been enforced, provided forfeiture and the loss of civil rights for "a judge or administrator having shown favor to or enmity against a party." The Senate did not think that this covered Péret's case. This affair, which may be said to have been partly responsible for the downfall of the Tardieu Ministry in December, 1930 (M. Péret was a member of that Cabinet) and has caused a protracted inquiry by the House in what was called "the relations of politics and finance," is now ended in its judicial aspect. Its political effects may be felt in the future careers of the four men, who are all in middle life.

### ANNIVERSARY OF THE FRENCH PUBLIC SCHOOL

The year 1931 marks the fiftieth anniversary of the establishment in France of the free public school, created by the law of June 6, 1881, through the efforts of Jules Ferry, then Minister of Public Instruction. The following year the law of March 28 completed the work by providing for compulsory and secular education. At a celebration on June 20, organized by the *Ligue de l'Enseignement*, the present Minister, Mario Roustan, and the ex-Minister, François-Albert, praised the achievements of Jules Ferry. Other celebrations were held in the provinces, notably at Epinal, chief city of the department where



Ferry was born and site of a recently-erected monument to him.

As the matter of the free, compulsory and secular public schools is still a bone of contention in France, and as the acceptance of the laws of secularization is still considered a sign of true republican orthodoxy, the parties of the Left attached great importance to these celebrations. The speakers stressed the political value of secularization and recalled the resistance with which the Conservatives met this reform. The radicals pretended to see in it the first step toward the *école unique*, which is their aim, while the moderates preferred to emphasize the liberalism and tolerance that Jules Ferry tried to instill into a law which the Catholics attacked and still attack as oppressive and anti-religious.

These festivities and speeches in honor of a man who was probably the most unpopular statesman of the Third Republic, arranged by members of a party that was, under Clemenceau's leadership, his most bitter opponent, are an interesting commentary on the fickleness of democracies, especially in this year of the Colonial Exposition. For it is to the imperializing efforts of Jules Ferry that France owes Tunis and Tonkin—efforts which made his name anathema among the radicals.

The pamphleteer and novelist, Léon Daudet, son of Alphonse Daudet, whose spectacular personality, advocacy of a return to monarchy and genius for scurrilous attacks on his political opponents have kept him in the limelight during the last thirty years, lost a suit for libel which he had filed against the chauffeur of the taxi in which his son is reported to have committed suicide nearly eight years ago. In spite of all the facts pointing to a suicide, including a letter of the boy announcing his intention and the statement of the chauffeur, M. Daudet persisted in accusing the police of having killed his son as an anarchist, and the chauffeur of

having connived with the police in staging the murder as a suicide. The court before which the chauffeur had sued Daudet, sentenced the latter to a term in jail. In 1927 he escaped to Belgium through a plot organized by some of his young royalist followers, and in December, 1929, he was pardoned. The radical paper, *L'Oeuvre*, published an interview with the chauffeur, Bajot, in which Daudet was accused of willful distortion of the facts, and the latter sued the paper and the chauffeur for libel. The trial dragged over several weeks and was marked by various incidents, including the announcement of fresh revelations supporting Daudet's claim. These turned out to be without foundation. The court, while taking into consideration the paternal feelings which have animated Daudet in his virulent campaign, stated plainly in its verdict on July 20 that it did not accept his interpretation and therefore refused to condemn the chauffeur for the statement that Daudet had tampered with truth.

The death of Abbé Wetterlé on July 24, at the age of 70, removes one of the prominent figures of the pro-French movement in Alsace before the war. Editor of several papers, member of the Reichstag, sentenced in 1909 to two months in prison for his political activities, Wetterlé was the best known of the later irreconcilable opponents to German rule. He was elected in 1919 to the Chamber of Deputies, and became the spokesman of the twenty-three representatives of the restored departments when they took their seats in Parliament. His rôle, however, was generally inconspicuous, and in 1924 he did not seek re-election.

#### BELGIUM ACCEPTS THE OSLO AGREEMENT

The Belgian Parliament adjourned on July 16 until October, after having ratified by a vote of 138 to 4 the agreement of Oslo. It will be remembered that this agreement, signed

by Sweden, Norway, Denmark, the Netherlands and Belgium, is a compact of economic cooperation, carrying out the provision of the Convention of Geneva for a truce of tariffs. This agreement, which has no political implications whatever, was at first considered with misgivings by the Walloon representatives, Socialists and Liberals, who saw in it a move toward a sort of "Nordic policy" which might dissociate Belgium from its natural ally, France. Some agrarians of the Right, Flemish as well as Walloon, also were hostile to it on account of the serious competition the Belgian farmers are suffering from Denmark. However, after the speech of Minister of Foreign Affairs Hymans, which showed that the agreement does not interfere with the freedom of the State to raise its duties if necessary, and that it is part of the movement for the economic restoration of Europe, the Chamber approved it.

The centenary of the entrance of the first King of the Belgians, Leopold I, into his kingdom was commemorated on July 19 by ceremonies which took place at La Panne, Furnes and Ostend in the presence of King Albert, the Queen, and the Duke of Brabant. In the address delivered by King Albert he recalled that his grandfather had been proclaimed King by the free will of the people on July 4, 1831, and that on July 21 he had sworn allegiance to the Belgian Constitution—then considered the most democratic in Europe. At Ostend the King dedicated the monument erected to his uncle, Leopold II, praising the part played by the latter in the economic and colonial development of the

country and recalling "the reign of forty-four years, which has the stamp of greatness and which will remain one of the most brilliant, happy and prosperous periods of our history."

On the day preceding adjournment of the Parliament 10,000 veterans, including 700 delegates from all parts of Belgium, paraded the streets of Brussels and besieged Parliament in protest against the rejection of their claims for war pensions and indemnities. They rushed the gates and resisted the police in a clash that lasted twenty minutes. A downpour of rain put an end to the demonstration.

On Aug. 4 the seventeenth anniversary of the invasion of Belgium by Germany was commemorated by the sounding of church bells, the blowing of whistles and sirens, followed by a minute of silence. It recalled that on the same morning in 1914 German troops had crossed the Belgian frontier and distributed proclamations calling on the people to submit to the German ultimatum.

---

#### BELGIAN MONARCH DIRECTS FOREIGN POLICY

King Albert, interrupting his holiday in Switzerland, returned to Brussels on Aug. 6 and next day presided over a Cabinet meeting which discussed the Hoover moratorium plan as applied to Belgium. It was stated that the King intended to direct the foreign policy of the nation and that he had requested the newspaper writers on diplomatic affairs to keep silent until international problems were settled. He also recommended drastic reductions in expenditures.



# Germany Emerges From Crisis

THE background of Germany's financial and economic crisis, and some of the measures taken to weather it, have been described on pages 801-807 of this magazine. But some further account of the remedial measures may here be added.

According to estimates of Germany's short-term foreign indebtedness at the end of July, acceptance credits having ninety days or less to run totaled approximately \$600,000,000, of which slightly more than half was held in the United States. Most of the remainder was held in London, with scattered holdings in France, Holland and Switzerland. A committee of bankers representing these creditors held meetings to work out the technical details for a gentleman's agreement by which these short-term credits should as far as possible be left in Germany for the present, and dealt with on conditions of equality for all groups of creditors.

The total amount of Germany's short-term foreign credits, including those that run for more than ninety days, was estimated at the end of July at about \$1,300,000,000. For dealing with these and other problems of Germany's financial condition, the World Bank at Basle also set up a committee of investigation in accordance with the recommendations of the Foreign and Finance Ministers which met at London in mid-July. A. H. Wiggin of the Chase National Bank, who attracted attention a few months earlier by his statement that there would have to be a revision of reparations and interallied debts, was the American representative on this committee. Unlike some other large New York banks, the Chase did not withdraw its short-term money in Germany in the few weeks preceding the Hoover moratorium, during which the Germans, for

By SIDNEY B. FAY

*Professor of History, Harvard University and Radcliffe College;  
Current History Associate*

political motives which proved to be shortsighted on the financial side, were emphasizing their difficulties at

Chequers and to the world at large. Mr. Wiggin, therefore, will represent American interests which have a good deal at stake, not only through permanent investments in Germany but in the immediate measures to be recommended by the World Bank.

As another result of the financial crisis, the German Government became a participant in the management of three large banks. First it guaranteed the liabilities of the Darmstaedter and National Bank which had been forced to close its doors on July 13 on account of the run made on its resources. Then it took part in the creation of a new Acceptance and Guaranty Bank, under the presidency of Dr. Bernhard Dernberg. This was capitalized at 200,000,000 marks (\$47,600,000), of which the government is to hold a two-fifths share. It will be a special function of this new bank to facilitate the clearing and discounting procedure of other banks which were hard hit in the recent withdrawals of credit and deposits. This task will be accomplished through endorsement of paper by big private banks, which in turn will be honored by the Reichsbank. Finally, announcement was made early in August that the government would acquire three-fourths of the 400,000,000 marks (\$95,200,000) in the stock of the Dresdner Bank, the second largest private bank in Germany. Some alarmists have raised doubts about the wisdom of these steps which look like a diluted socialization of the banking industry.

During the financial crisis the Bruening Cabinet issued some thirty emergency decrees, the purpose of which was to check the outflow of gold from Germany, to preserve the

value of the paper mark, to restore confidence and to provide for the eventual meeting of Germany's short-term indebtedness. Having failed to secure a large foreign loan, Germany was forced back upon herself for help, and appears in large measure to have succeeded in doing so.

The Reichsbank's statement for July 31 showed that in the latter part of the month the outflow of gold had been checked and that there had even been an increase of 97,000,000 marks (\$23,000,000) in the bank's reserves, bringing its total up to 1,363,000,000 marks (\$325,000,000). The amount of money in circulation increased by \$61,000,000, making the ratio of reserve to circulation 36.1 per cent as compared with a ratio of 70.4 per cent last January. Imports of Germany during the first six months of 1931 are estimated at \$906,000,000 and exports at \$1,135,000,000, as compared with \$1,358,000,000 and \$1,478,000,000 during the corresponding period of 1930. But the tax receipts in the first quarter of the new fiscal year beginning April 1, 1931, dropped \$81,000,000 as compared with the preceding quarter. The drop was caused chiefly by reduced incomes and the falling off in the returns from tobacco, sugar and alcohol taxes. As a result of the higher tariff rates, the customs receipts showed an increase of about \$4,000,000 over the preceding quarter.

When the banks were fully reopened on Aug. 5, after an interruption of three weeks, to permit depositors to have full access to their deposits, there were no runs anywhere in Germany and the bank quarters were practically empty most of the day. On the average, less money was paid out than on normal days before the closing of the banks. Many banks in Berlin and the provinces reported that more money was deposited than distributed. The Reichsbank paid out 10,000,000 marks (\$2,380,000) and received 30,000,000 marks (\$7,140,000) in the course of the day. The Darmstaedter and National Bank, whose troubles



GERMANY AND AUSTRIA

precipitated the banking runs, and whose reopening was a test of its strength, registered a marked number of new deposit accounts. In many cases orders to pay out large deposit accounts which the banks had received in advance were canceled at the last minute.

German political parties were relatively quiet during the financial crisis. There was some Communist rioting in opposition to the government's emergency financial decrees, but it was quickly and vigorously suppressed. Hitler is reported to have declared that he had never been happier in his life, seeing the trouble that the moderate Centre and Social Democratic parties had brought upon Germany.

The referendum taken on Aug. 9 at the instance of the reactionary Steel Helmet League on the question of dissolving the Prussian Diet in the hope of thereby ousting the present Socialist-Centrist-Democratic Coalition Government, headed by Premier Otto Braun, resulted in a decisive defeat for the Nationalist-Fascist forces. The number of affirmative votes required for success was 13,500,000, but complete returns from all twenty-three Prussian electoral districts registered fewer than 10,000,000 for the dissolution, while fewer than 500,000 voters took the trouble to cast negative votes. While the defeat of reactionaries was regarded as primarily vindicating Republican principles, it



constituted a vote of confidence in Chancellor Bruening's national leadership as well as an endorsement of Premier Braun's resolve to protect Prussia against the excesses of nationalism and fascism. Both in France and in Great Britain the result was received with the greatest satisfaction.

In Russia the vote aroused great interest, and its outcome was regarded by the Communist party organ, *Pravda*, as an indication of great strength among the German Communists. Although the plebiscite had been initiated by the Steel Helmet and Right groups, it offered, according to *Pravda*, an opportunity to the Communists to partake in a great extraparlimentary mass demonstration, and this they did to the extent of from 5,000,000 to 6,000,000 votes. The enemy of the Communists in Germany is felt by them to be the Social-Democracy, not the Fascist party.

The giant German airship, Graf Zeppelin, under command of Dr. Eckener, left Berlin on July 25 for a cruise in the Arctic regions toward the North Pole. In addition to her crew of thirty, she carried a dozen scientists including two Americans, Lincoln Ellsworth, who flew to the North Pole with Roald Amundsen, and Edward H. Smith of the United States Coast Guard. Passing by way of Leningrad she headed north and cruised for eighty-one hours at an average speed of over eighty miles an hour. She carried out her purpose of stopping for a few minutes on floating pack ice by the side of the Russian exploring ice-breaker Malygin at Franz Josef Land to exchange news. She then passed on to map seven new islands which were photographed from the air. For forty hours she was without radio connection with Russia or Germany, apparently because north and south radio communication in the Arctic meets with great interference. On July 31 she returned to Friedrichshafen, repulsed from the Pole by fog.

### CUSTOMS UNION QUESTION BEFORE WORLD COURT

The proposed Austro-German customs union came up on July 20 for legal argument before the Permanent Court of International Justice at The Hague. The court consisted of fifteen judges, among them being Frank B. Kellogg of the United States. At the outset Austria and Czechoslovakia asked for the appointment of judges from among their own nationals, as these two countries are not directly represented on the present court; but the request was overruled.

Dr. Bruns, for Germany, opened the argument in favor of the legality of the proposed customs union, contending that it did not compromise the independence of Austria and therefore was not contrary to either the treaty of Versailles, the treaty of St. Germain or the Geneva protocol under which an international loan had been made to Austria. The word "independence," he urged, could have only one judicial meaning, namely, political independence, which would in no way be impaired. "In the five memoranda filed with the court," he said, "there are three different interpretations of the word 'independence.' The more I see of these interpretations, the more I think they are intended simply to obligate Austria further." Then suddenly shifting his line of argument, he went on: "Take this highly improbable case. Suppose one power said to its banks: 'Withdraw your credits from that country.' That nation, in such an event, would be guilty of a grave violation of the independence of its neighboring State." He mentioned no names, but the majority of the crowded audience had no doubt that this arrow was aimed at France.

Professor Hans Sperl of the University of Vienna, presenting the Austrian case in favor of the customs union, declared: "By planning a customs union Austria was using her independence. People were saying at last that the government was taking steps to find outlets for our products,

to do something for our industries and our agriculture. Then, suddenly, came these interpretations which are claimed to threaten our independence. It is apparently these interpreters who threaten us and would lead us gently but firmly back into the barred cage labeled 'Independent Austria.'"

M. Paul-Boncour, speaking for France against the customs union, contended that a tariff union uniting a small Austria with a country of 60,000,000 inhabitants would imperil her independence. Such an accord would require Austria to adopt a tariff and fiscal legislation like Germany's. The proposed union, moreover, would give special advantages to Germany from which Austria is excluded. He further argued that the proposal to include other States was merely theoretical, and that each new State admitted would tend to break down the feasibility of the scheme.

While all these speakers had confined their arguments within the frame of juridical considerations, this was not true of the Italian lawyers who followed. Professor Pilotti, though admitting that Austria was not incompetent to conclude a contract with Germany, argued that such a contract could not come into force except with the approval of the League of Nations. His colleague, Senator Vittoria Scialoja, carried away by rhetorical effervescence, committed the indiscretion of trying to put the international tribunal under political pressure by asserting that the court's decision might mean peace or war in Europe. As the German Centrist organ, *Germania*, remarked, "It was left to Italy's representative to convert the highest court in the world into a political arena and advance arguments befitting a militarist or a politician, but not a jurist."

#### AUSTRIAN ECONOMIC CONDITIONS

During July the Austrian National Bank raised its note circulation from 1,035,000,000 to 1,099,000,000 schil-

lings (\$144,900,000 to \$153,860,000, the schilling being worth about 14 cents), thus reducing the currency coverage from 51 to 47 per cent.

During the first half of the year Austrian imports dropped to 1,106,000,000 schillings and exports to 670,000,000, as compared with 1,393,000,000 and 945,000,000 during the same period in 1930, a seriously unfavorable balance of trade during both half years.

The deterioration in the conditions of Austrian industry may be judged from the amount of orders in the iron industry, which was 62 per cent of normal in June, 1930, 29 per cent last January and only 18 per cent in June.

#### THE SOCIALIST INTERNATIONAL MEETING IN VIENNA

The fourth congress of the Socialist Workmen's International met in Vienna on July 27. It gave an opportunity for a demonstration in favor of Franco-German Socialist solidarity, and was attended by more than 600 representatives of thirty-four Socialist parties. Several other Socialist organizations held meetings at the same time, including 70,000 men and women workers in attendance at a monster workers' Olympiad held in the huge new stadium in the Prater. M. Vandervelde of Belgium pointed out the grave difficulties and the sharp aggravation of class differences now present in the world, and blamed reparations as one of the principal causes of the economic crisis. Socialists, he said, must renew the demands they made at the last congress in Hamburg—first, the restriction of reparations to the direct damage done to the civilian population; second, the cancellation of all other war debts; third, the quickest possible termination of military occupations, and fourth, disarmament.

M. Vandervelde upheld the German Social Democrats, adding that the fate of German democracy hung upon the daily fight they must wage in Parliament and on the street.



# The Fascist-Vatican Controversy

**I**N Italy the controversy between the Fascist Government and the Vatican again overshadowed all other questions. The dispute has now lasted over two months, beginning on May 22 with the charge by the Fascist daily, *Lavoro Fascista*, that the Catholic Action was fostering anti-Fascist political activities. Since then the Vatican has sent five notes to the government and the government two to the Vatican. In addition, the matter has received world-wide attention through the Pope's appeal to Catholic opinion throughout the world and his stirring encyclical of July 4 summing up the Vatican's position in regard to Fascism. As the controversy progressed, it soon appeared that the dispute over Catholic Action was not confined to the question of political activities of that organization but involved serious differences over questions of political and social life, fundamental in the relationship of the individual to the Church and to the State, especially as these questions relate to the education of the children.

Early in July negotiations reached a deadlock through the government's prolonged delay in answering the note of the Holy See, offering to discuss the situation in the light of Article 43 of the Concordat on which, as is well known, the controversy largely turns. On July 4 the matter was suddenly lifted out of the impasse by the encyclical letter entitled "Concerning Catholic Action," which denied categorically the charges against Catholic Action and protested against the violent methods of closing the clubs, branding the Fascist oath, which "even little boys and girls are obliged to take, about executing orders without discussion," as "illicit." The encyclical also denounced the Fascist régime for setting up "a true and real

WILLIAM E. LINGELBACH  
*Professor of European History,  
University of Pennsylvania  
Current History Associate*

pagan worship of the State," and accused Mussolini of readmitting socialism and the Free Masons: "After putting out of existence socialism and anti-religious organizations \* \* \* he has permitted them to be generally readmitted \* \* \* and has made them even stronger and more dangerous inasmuch as they are now hidden and protected by their new uniforms."

The Fascist press attacked the encyclical with much bitterness. For a few days signs that the battle of words might again lead to violence appeared in minor bomb outrages and anti-papal utterances. On July 9 the secretary general of the Fascist party sent a circular to the provisional and federal secretaries informing them that "on Mussolini's order" it would be incompatible henceforth for Fascists to belong to any organization depending on Catholic Action. The official answer of the Fascists, however, was delayed until July 14 when, after a prolonged session of the directorate of the Fascist party with Mussolini presiding, it issued categorical denial of the charge that Fascists take the oath for the sake of bread or career or life, and rejected as absurd the charges that Free Masons are being taken into an alliance with the party. On the contrary, it makes the counter-charge that Free Masons are now making common cause with the Vatican against the Fascist régime. It also protested against what it calls misstatements about the Balilla, the Fascist youth organization.

On the European situation Mussolini's attitude toward the accord reached in London, regarding financial aid to Germany, by the representatives of the seven powers, was confirmed in conversations with Secre-

tary of State Stimson during the latter's visit to Italy over the week-end of July 11. Even more important are the assurances to Secretary Stimson of Italy's sincere support of disarmament proposals.

The death of the Duke of Aosta, for a long time the most popular member of the royal family, brought to a close a career of remarkable service to the nation. Besides being an explorer and geographer of note he saw service in the colonies and commanded the Third Italian Army in the World War.

Amid the general business depression it is heartening to learn from the report of the Adriatic Electric Company, Italy's leading public utility enterprise, which has had several bond issues in this country, that the company's net profit for 1930 exceeded that of 1929 by 27 per cent.

### THE SPANISH CONSTITUENT ASSEMBLY

The much heralded Constitutional Cortes of Spain assembled on July 14 in the historic Chamber of Deputies amid the enthusiastic applause of hundreds of thousands who lined the streets of Madrid, gay with red, yellow and purple banners of the new republic. The 470 Deputies represent a population of 22,000,000. They are,

for the most part, young men, only fourteen having sat in the Cortes before and many of them, like Largo Caballero, the Minister of Labor, have come up from the ranks of the workers.

The Moderate Republicans and Socialists control the Cortes, the extremists having failed completely to win support in the elections. Among the Moderates the most vigorous group is that of the Radicals of the Right Centre, with eighty-six Deputies under the strong and able leadership of Foreign Minister Alejandro Lerroux, who also counts on the support of Manuel Azana's *Allianza* and other lesser groups. The Socialists, with 113 seats, are the largest single party. They are ably led by Indalecio Prieto, the Minister of Finance, and are, of course, committed to a Socialist program, although they are, for the time being, in a working agreement with the Moderate Republicans. If they should unite with the Radical Socialists they could probably dominate the Cortes.

After taking his seat with the other members of the Provisional Government on the Blue Bench—all the others, like the rest of the furnishings, are red—President Alcala Zamora, in a brilliant speech, offered to turn the government over to the



THE MEDITERRANEAN COUNTRIES



Cortes. Instead of taking charge of the administration the Cortes has continued the Provisional Government in office, despite the fact that several of the Ministers wished to resign. Following the verification of credentials, the election of officers and the adoption of rules of procedure, the Cortes proceeded to organize its committees for the final drafting of the Constitution.

While the Cortes has been at work on the Constitution, Syndicalists and Communists, angered at what they describe as reactionary tendencies, determined to destroy the confidence in the republic and force a social and economic revolution along radical lines. Strikes and disturbances were ordered in many parts of Catalonia and Southern Spain early in the month. On July 6 the telephone workers walked out in anticipation of a general strike set for six days later. The government acted promptly and with firmness, declaring "that it would not permit the Syndicalists to upset the economic life of the nation." Fortunately a threatened strike of the gas, electric and dock workers was averted by the acceptance of the workers' demands. On the other hand the Sindicato Telefonico, whose members are employed by the International Telephone and Telegraph Company, succeeded in calling out many of its members and for a time seriously crippled the telephone and telegraph service. The wires from Barcelona were cut and for a short time Madrid was isolated, the Syndicalists claiming that they had the support of Colonel Macia, the President of Catalonia.

Outbreaks also occurred in the Asturias, Madrid, Valencia, Malaga, Bilbao and more particularly in Seville, the capital of Andalusia, where the peasants have long coveted the land of the big estates of the province. Dr. Villana, the Syndicalist leader of Southern Spain, had been very active in the province and had boasted that he had a million organ-

ized farm workers ready for revolution. His grandiose plan for the mobilization of his forces by motor buses collapsed ignominiously and he was arrested and imprisoned. In Seville, however, considerable sabotage and fighting occurred which was only suppressed by the declaration of martial law, after which the government issued a special order, making it illegal to call a strike without ten days' notice, leaders disobeying to be declared and treated as revolutionists and all strike disputes to be henceforth submitted to arbitration.

Spurred on by the unrest and angry temper of the agricultural population in Andalusia, the Agrarian Committee, appointed by the Provisional Government, hastened completion of its proposed reforms and submitted them to the Cortes on July 17. The plans provided for the distribution of land to the peasants in lots varying in size, according to the nature of the soil and the number in the new owner's family. Arrangements are suggested for group and cooperative farming. Any uncultivated lands are to be leased to syndicates and farmed by the members on a profit-sharing basis. While the proposals apply only to the provinces of Estramadura and Andalusia, the plan is applicable to other regions where the agricultural jobless are numerous.

The draft proposals adopted by the Catalan Generalidad for Catalan autonomy make very sweeping demands for local self-government, considerably more so than the Cortes, among whose members the desire for unification is strong, seems willing to grant. In the meantime the Catalans have further strengthened their position by a formal plebiscite on the plan for autonomy in which less than one fourth of 1 per cent of the voters opposed the statute. In announcing the results, President Macia declared that Catalonia was now free whether Madrid approved or not. Unfortunately, labor unrest and radical agitations are particularly active in the industrial sec-

tions like Catalonia and there is danger of a serious confusion of issues. The Separatist movement has also made its appearance in the Balearic Islands and seems to be gaining strength in the Basque Provinces, Valencia, Galicia and Andalusia.

In the relations with the Church nothing new has developed save the evidence that the views of the Cortes are thoroughly in accord with the plans already inaugurated by the Provisional Government concerning the separation of Church and State, religious tolerance and an extensive educational program.

Closely associated with the labor troubles, depression and unemployment have been one or two bank failures of considerable proportions. In addition to the closing of the Madrid bank of Bauer & Co., the Bank of Catalonia, with headquarters and ten branches in Barcelona and twenty in other cities and towns, was forced to close its doors. The close association of the latter with important industrial and commercial enterprises makes it a matter of serious concern to the Minister of Finance, who is striving hard to maintain the stability of the peseta.

## Hungary's Financial Plight

IN common with many European countries, Hungary has been most deeply concerned in recent weeks with the state of its finances. For the ten months ended June 30, the budget showed a deficit of about \$11,000,000; tax returns are running about 5 per cent under estimates and tax arrears total more than \$30,000,000; the government owes some \$15,000,000 to industries which the General Credit Bank controls, but cannot pay; the Ministry of War is reported to owe \$18,000,000 for military material, much of it in excess of the budget.

With a view to averting a strain on banking institutions when the German crisis was at its height, and preventing banks in the Reich from gambling on the Hungarian Exchange, the government decreed on July 14 that all banks, stock exchanges and other financial establishments should be closed for three days. The banks of Hungary are believed to be in a considerably stronger position than those of Austria, but precautionary measures seemed desirable. On July 17 the Cabinet decided that the financial

By **FREDERIC A. OGG**  
*Professor of Political Science,  
University of Wisconsin;  
Current History Associate*

"holiday" should be confined to the period originally announced, but that it should be succeeded by a transi-

tional régime lasting another week, during which no bank should pay over to any depositor more than 5 per cent of his deposits or a total of more than \$200, unless the withdrawals were to pay wages, rents, pensions, insurance premiums, taxes or other specified obligations, including freights and tariffs. Debtors unable to pay might not be proceeded against for seven days. Rumors that the State would make use of impounded deposits were denied officially, although a forced loan, in case the general situation did not improve, was widely regarded as a possibility.

The government on July 24 introduced in Parliament a bill sanctioning all the measures that had been taken, and likewise reducing budget expenditures and imposing certain new taxes. The law, as passed, conferred all the powers that were asked for a period extending to June, 1932, and provided a penalty of imprisonment for persons spreading alarmist rumors about the economic or financial position of the State.



Meanwhile, Ludwig Valko, former Minister of Finance, who had been authorized to raise a \$25,000,000 loan, opened negotiations in Paris and London, and on July 24 it was semi-officially announced that the loan would be issued against Hungarian treasury bonds. Later, it was understood that the amount would be \$35,000,000, of which France would take 40 per cent, and that, once arrangements were completed, the new restrictions upon financial operations would be gradually removed. Obstacles arose, however, in the form of French stipulations of a political nature—chiefly that Hungarian policy be directed against a customs union with Germany. This gave the legitimists, speaking especially through Count Pallavicini, an opportunity to revive their campaign for a Habsburg restoration at Budapest, as a means of reorienting Hungarian foreign policy and reviving the good relations with France which existed a century or more ago.

### BULGARIA MISSES COUP D'ETAT

On the night of June 22, after the Radical and Agrarian victory in the Parliamentary elections, according to revelations made about three weeks later, Bulgaria narrowly missed a coup d'état at the hands of the professional associations and army clubs which drove Stambulisky from office and to his death on June 9, 1923. That nothing actually happened seems to be due principally to the refusal of Alexander Kissoff, Minister of War, to be drawn into the plot or to sanction the use of any section of the army in furtherance of it. His acquiescence had been so fully counted upon by the conspirators that they had not taken the pains so much as to inform him of their plans in advance. Finding him obdurate, they at the last moment abandoned their plans.

With M. Muchanoff, a veteran Democrat, as Minister of the Interior, and General Kissoff retaining the portfolio

of War, it is not believed in Sofia that the new Malinoff Cabinet differs markedly in its policies from its predecessor. The incoming premier entered office frankly acknowledging that his country's relations with its neighbors are not all that they should be, and urging that a strong, solvent and peaceful Bulgaria should be regarded by the great powers as an essential of their own well-being and security. Alluding to the nation's financial situation, which leaves much to be desired, M. Malinoff declared, further, that new taxes cannot be contemplated, that fresh loans are undesirable, and that hence the only feasible mode of relief is the lessening of the burdens that rest upon the country under the terms of the peace treaties.

For the ten months of the fiscal year ended March 31, the Bulgarian budget, according to statements of the League of Nations Commission, showed a deficit of 954,000,000 leva (\$6,872,000), or about 15 per cent of total expenditures, of which 550,000,000 leva was accounted for by borrowing in the form of treasury bonds. On July 24, the Bank of International Settlements informed the Greek Government that Bulgaria had announced that, in view of the Hoover debt moratorium, she did not intend to pay the



Eastern Europe and the Balkans

reparation instalment for June and, further, that she had asked restitution of payments made in April and May. The latter request seemed clearly out of line with the moratorium plan, which contained no retro-active provisions.

#### **POLAND PRACTICALLY UNAFFECTED BY FINANCIAL CRISIS**

Although true, speaking generally, that "when Germany catches cold all Central and Eastern Europe sneezes," Poland felt the repercussions of the recent German financial crisis decidedly less than did most of the neighboring States. She neither decreed a bank holiday such as those declared in Hungary and Latvia nor experienced bank failures and suspensions like Austria; she did not even witness any serious runs on banks. Her situation illustrated, indeed, the old saying that it is an ill wind that blows no one good, because her six-year tariff war with Germany, while undoubtedly responsible for much damage to trade and industry, and consequently for a good deal of unemployment, has cut her off from the German money market and left her largely immune from its troubles. Even so, and despite excessive tariffs, she still sells Germany 30 per cent of her exported goods and imports more from Germany than from any other one country. Only Upper Silesia suffered notably from the events across the border, this mainly from the closing of the Darmstaedter and National Bank, whose Kattowitz branch finances numerous Silesian coal mines and steel mills. Polish banks in Danzig actually profited from the crisis.

Evidently desiring to remove the complaints of the Ukrainians from the agenda of the League of Nations, the Warsaw Government has abandoned the harsh "pacification" policy identified with the name of M. Nakoniecznikoff-Klukowski as *Voi-vode* (Governor) of Lwow Province,

and has appointed a new and conciliatory Governor in the person of former Minister of Finance Ignace Matuszewski. The Ukrainians still demand the release of all those imprisoned under the former régime, reparations for damages done, a long-term agrarian credit, and the erection of the three provinces of Eastern Galicia into a single administrative unit, with a local sejm like that of the Silesian Province. The last-mentioned demand falls in with the government's plans for economy; and in any case the desire to liquidate an embarrassing situation before the September meeting of the League Assembly seems likely to prompt an earnest attempt to meet the Ukrainians' wishes. The government is reported to be planning the establishment of a special under-secretaryship for national minorities, headed by a prominent Pilsudski bloc leader, Tadens Holowko.

#### **MANIU'S LEADERSHIP OF RUMANIAN PEASANT PARTY**

At a meeting in Cluj, Transylvania, on July 5, the executive committee of the Rumanian National Peasant party decided not to accept the resignation of former Premier Julius Maniu from the chairmanship of the party. Maniu, as Premier, had assiduously prepared the way for King Carol's restoration, and for this reason deep indignation was expressed because of the treatment meted out to the leader and his party by the Sovereign and the court clique. M. Maniu's resignation was explained as being prompted by his inability to accept the dominance of a group of four or five persons at the court—a situation which only the King could have ended, but which he showed a disposition to tolerate indefinitely.

After a year of quarrels and negotiations concerning her status, former Queen Helen left Bucharest on July 17 for London, apparently for a long sojourn, and perhaps forever. Among



those at the railway station to bid her adieu was every member of the royal family except King Carol and his son Michael. She was accompanied to London by her brother, former King George of Greece, and was met there by her mother, the Dowager Queen Sophie of Greece. Having renounced the title of Queen, she will henceforth be known as Princess Helen of Rumania.

Princess Ileana, sister of King Carol, was married to Archduke Anton of Habsburg in the picturesque Palace of Pelech at Sinaia on July 26. The Princess embraced the Roman Catholic faith, but will remain a citizen of Rumania.

#### *GREECE'S POST-WAR OBLIGATIONS*

Though refusing to accept the Hoover debt moratorium plan in its original form, Greece was prompt to avail herself of its advantages and in July refused to pay Bulgaria the sums due under the agreement made for the exchange of nationals between the two countries. The justification given was that it would be unfair for Greece to discharge her post-war obligations while other countries, such as Bulgaria, which had obliged themselves to make good the war damage, and which were not in worse financial position than Greece, were freed from these responsibilities. In point of fact, Greece is one of very few countries in which revenues have of late been above, and expenditures below, budget estimates.

Attacks upon Jews at Saloniki and destruction of their property, provoked by nationalist students and by war veterans, were rebuked by the Greek Government early in July, and

the world was assured that there would be no further trouble. The Minister of Finance placed \$65,000 at the disposal of the Governor of Saloniki for reconstruction of a portion of the Jewish quarter burned during the disturbances. Steps have been taken by both Greek and Jewish organizations in Saloniki to arrange a conference for the purpose of averting misunderstandings.

#### *CZECHOSLOVAKIA'S BENEFIT FROM HOOVER PLAN*

In Czechoslovakia, as in other Central European countries, the signing of the Hoover debt moratorium plan was greeted with enthusiasm, meaning, as it did, considerably less of a task for the Minister of Finance in making both ends of his budget meet, and saving great numbers of taxpayers from fresh burdens. The total saving amounts to \$7,000,000, which more than offsets the falling off in income taxes and is expected to render unnecessary the impending increase both of these taxes and of the monopoly taxes. The country did not pay the half-yearly amounts totaling \$2,000,000, which fell due on July 1, though it did pay \$3,000,000 to the United States, due on June 15.

Early in July, it was announced that the Papal Nuncio Mgr. Ciriaci was returning to Prague to complete negotiations for the long-discussed *modus vivendi* between Czechoslovakia and the Holy See. The discussions have to do chiefly with the revision of diocese boundaries to conform to the frontiers of the country, and also with the rearrangement of internal boundaries of the dioceses to meet new conditions arising from the agrarian reforms.

# Norway's Claim to Greenland

**F**OLLOWING the hoisting of the Norwegian flag in Eastern Greenland, the Norwegian Government on July 10 put forth a definite claim to the disputed territory, and issued the following official communiqué:

At the Storting session on June 24 of this year the Foreign Minister said that Norway must interpret the Eastern Greenland agreement of 1924 as meaning that the agreement precludes [till 1944] a Danish claim to sovereignty in Eastern Greenland. The government accordingly attempted, in its note of June 30 of the current year, to get Denmark to agree that both countries would abstain from the exercise of sovereignty in Eastern Greenland while the agreement remains in force. In its note of July 3 the Danish Government rejected this proposal. The Norwegian Government therefore considered it necessary that both countries would come to an agreement as soon as possible concerning the situation in Eastern Greenland. \* \* \* The government was \* \* \* of the opinion, which had also been expressed by the Danish Government, that the question should be submitted to the Permanent Court of International Justice at The Hague. However, in case the question were submitted to The Hague Court, the Court would be called upon to decide only the question of whether the territory should be considered as Danish or as no man's land. A decision favorable to Norway [i. e., to the effect that Eastern Greenland is no man's land] would therefore not preclude the possibility of future controversies concerning sovereign rights in the territory.

In view of the stand hitherto taken by Denmark, it is improbable that an agreement can be reached relative to the main point at issue—the question of sovereignty—and if no agreement could be reached after continued negotiations, the Norwegian government would be deprived of an opportunity to demand that Norway's sovereignty be recognized. Under these circumstances, the Norwegian Government found it necessary to occupy the territory in Eastern Greenland \* \* \*

The day after Norway's position in the controversy had thus been forti-

By JOHN H. WUORINEN

*Department of History,  
Columbia University;  
Current History Associate*

fied by the application of the maxim "possession is nine points of law," the Danish Government addressed a

complaint against Norway to the World Court, charging that the private occupation in June, as well as the subsequent official Oslo proclamation of occupation, constituted a violation of Danish rights, and asked that the occupation be declared null and void.

Dr. Peter Munch, the Danish Foreign Minister, stated on July 10: "It would have been undeniably more in keeping with the demands of Northern politics if the two countries had gone to The Hague by common consent. The procedure chosen by Norway does not strengthen her case, and will naturally cause bitterness in Denmark." Norway's action, according to Premier Stauning, constitutes "a violation of the rights of the other party, and means that negotiation will no longer be possible."

That this controversy may broaden so as to include other claims to Eastern Greenland was indicated on July 22, when a message from Reykjavik, Iceland, stated that ex-Premier Thorlaksson proposed in the Althing that the government should take care that Iceland's interests in the disputed area were adequately safeguarded, indicating a possible application of the so-called sector principle, which, according to Icelandic interpretation, would give Iceland a considerable part of the Eastern Greenland coast and Jan Meyen Island.

## FARM RELIEF IN DENMARK

During the past few months Danish agriculture has been facing a serious crisis. Being largely dependent upon exports, and consequently upon the prices obtainable in foreign markets, it has been hard hit by the steady



drop in the prices of agricultural products abroad. The farmers' plight is indicated by the large number of farmers' associations which have appeared during the past few months, and more particularly by the conference held on July 21 in Copenhagen, at which the government and representatives of the farmers discussed necessary relief measures. The results were meager. The government proposed the establishment of a fund of about 30,000,000 kroner (\$7,040,000) for extra credit facilities for the farmers.

Archbishop Nathan Söderblom, Primate of Sweden, noted liberal churchman and winner of the Nobel Peace Prize in 1930, died at Upsala on July 12 at the age of 65. Born in Trono, Gafleborg, he received degrees at Upsala University in 1886 and 1892. Appointed rector of the Swedish Church in Paris in 1894, he served in that position until 1901, when he received the degree of Doctor of Theology at the University of Paris. He held a professorship at Upsala, and later at the University in Leipzig. In 1914 he was elevated to the headship of the Swedish Church and served in that capacity until his death.

The government committee which was appointed to investigate the killing of striking lumbermill workers at Adalen, Sweden, on May 14, when soldiers fired on the laborers, on July 20 made public its final report, which concluded that the use of loaded cartridges could have been avoided, but that the commanding officer could not be held altogether responsible for the unfortunate affair. It was clearly shown, the report stated, that the use of the military to maintain law and order, under circumstances which did not involve armed resistance, was altogether improper.

It is worth noting that although the report of the Adalen committee was praised by the Socialist as well as the

bourgeois press, the Communist newspapers condemned it.

### PROHIBITION IN FINLAND

Statistics concerning prohibition in Finland indicated that during the first six months of 1931 violations of the prohibition law (as reflected in the number of convictions, at least) had materially decreased. The figures within parentheses give the number of convictions for the corresponding period in 1930. Manufacture, 588 (504); sale, 2,034 (2,014); import, 522 (730); transportation, 1,473 (1,789); storage, 1,484 (1,926). The total number of convictions for all categories of prohibition violations was 6,276, while the corresponding figure for last year was 7,185.

It is interesting to note the statement made on July 29 by Representative William E. Hull of Illinois, who has been in Helsinki for the purpose of studying the Finnish prohibition situation. He said in part:

"Enforcement of the dry law in Finland is no better than that in the United States. \* \* \* I have made inquiries among different classes, and



NATIONS OF NORTHERN EUROPE

from all I can see the law is not as well enforced in Finland as in America; in fact, you can go into practically any Finnish hotel and most restaurants and order spirituous drink. This is invariably served at a very high price, while the poor man secures through a bootlegger 96 per cent alcohol, imported mostly from countries south of the Baltic. I am convinced from statements of officials and the general public that prohibition will not succeed and that shortly there will very likely be a modification of the law. \* \* \* Outside of the temperance people I found none who did not believe prohibition was very detrimental to the country."

The Supreme Court of Appeals of Finland on July 15 gave its decision

in the Stahlberg kidnapping case, reversing the earlier decision in which General M. Wallenius, former Chief of the Army General Staff, had been convicted of connection with the attempt to transport ex-President Stahlberg out of the country. The Supreme Court held that the responsibility of General Wallenius had not been proved, and ordered that he be released at once. The sentences of the other defendants in the case were reduced. Colonel Kuussaari was given a year in jail, and Mr. Jaskari was sentenced to a term of eighteen months. The decision occasioned extensive comment in the press of the country, largely because General Wallenius had made a full confession of his guilt at the time when charges were first preferred against him.

## Soviet Trends Toward Individualism

**S**TALIN'S proposals for the improvement of industrial efficiency in the Soviet Union, first stated in his speech of June 23 and made public early in July, have been described by the press of the world as one of the most significant events in recent Russian history, comparable in importance to Lenin's dramatic reversal of tactics in 1921. At first sight the program seems to mark a complete surrender of Communist objectives in favor of the methods and principles of capitalism. Whether this be so, it is certainly an illuminating commentary on the difficulties encountered by the Soviet leaders in this critical year of their Five-Year Program, and hence worthy of careful consideration by all students of Russian affairs.

The principal items in the program deal with the wage system and the economic position of the wage earner, the organization and methods of man-

By EDGAR S. FURNISS  
Dean of the Graduate School,  
Yale University;  
Current History Associate

agement and the future social status of the higher levels of the population, the so-called intelligentsia. A system of wages, based on piece rates and allowing of wide inequalities between different labor groups, is to be applied throughout the entire range of Soviet industry. This, together with new opportunities for promotion from the lower to the higher ranks in the labor army, is intended to promote labor efficiency by appealing to the selfish interests of the worker. At the same time, new provisions of creature comforts in the form of more adequate housing and food supply are expected to remove the chief causes of existing discontent among the industrial population. Management is to be built on the pattern of capitalist industry, an affair of individual responsibility with increased powers in the hands of the manager exercised with a greater degree of personal discretion and a wider freedom from political in-



terference. Modern systems of cost accounting and record keeping are to be installed as indispensable aids to managerial control. The proscribed intelligentsia, who have suffered severely in the past from the distrust of the government, are to be freed forthwith from police supervision and invited to take prominent positions in the industrial system with rewards limited only by their ability to render valuable service. Stalin's peremptory demand for immediate results along these lines has galvanized the country into activity; the major industries and the labor organizations set about at once working out the practical applications of the proposals.

The essence of this program lies in its stress upon individualism, both in the daily behavior of the citizen and in the standard of social values which determines the status of different population groups. Viewed in this light it undoubtedly presents a striking contrast to the professed doctrines of the Communist party, but when one examines it against the background of recent Soviet practice little is found that is absolutely new.

Equality of wages, though prescribed by strict Communist theory according to the formula "from each according to his ability, to each according to his need," was abandoned as hopeless many years ago. Nor is the payment of piece rates a new thing in Russia, for the system was recently established by decree upon the State and collective farms and in certain branches of industry. It is true, however, that despite these compromises with the equality principle, the wage rate in Soviet industry has taken very little account of differences in skill and in the available supply of different grades of labor. The rate has been fixed by decree as a result of negotiation between representatives of the government and the labor organizations, and has covered large and heterogeneous groups of workers embracing quite wide variations in skill. The effect of this con-

dition has been disclosed in the apathy and inertia of the wage earners which have been decried so repeatedly by the Soviet press as a handicap to the progress of the new industries. The reforms demanded by Stalin are intended to inject an entirely different spirit into the situation by establishing the rule that equality is a vicious principle and should be supplanted by a wage system which appeals to self-interest. "It is unbearable," he says, "to see the locomotive driver receiving the same wages as the bookkeeper." Unless this practice is abandoned the resulting shiftlessness and instability of labor will "undermine our industry, wreck our plan of production and stop improvement in the quality of manufactured goods."

With regard, also, to its management features, the new program is rather an extension of existing practices than an avowal of entirely new principles. The system of representative managerial committees involving a partnership of the workers and the State, prescribed by communist theory as the perfect form of management, was soon abandoned because of its hopeless inefficiency. The development of managerial practice in recent years, and especially since the exigencies of the Five-Year Program have thrust the problem to the fore, has been consistently in the direction of reducing the influence of labor and increasing the dictatorial powers of the manager. But vestiges of the older system have remained. An elaborate labor code has made it difficult to establish and enforce discipline among the workers, and the development of large-scale government industries organized as monopolies within each major division of enterprise has called into existence an unwieldy structure of political agencies charged with the execution of the plans of the State.

Stalin does not make clear the precise manner in which this bureaucratic system is to be improved. He merely demands that individual power and responsibility be adopted as the

guiding principle in management, and leaves it to the separate industries to make the necessary changes to give effect to this principle. Whether the outcome will be a far-reaching modification of industrial organization away from political control and in the direction of capitalistic enterprise may well be doubted. But one result seems inevitable, namely, that in this regard, too, labor will be required to surrender collective safeguards which it has enjoyed in the past and to submit to a more complete and autocratic discipline brought to bear upon the worker as an individual.

The pronouncement of Stalin with regard to the status of the expert and specialist in the social system is more novel. These bourgeois elements in the population were at first condemned as excrescences on the new social order and subjected to active persecution. As the period of militant communism waned they were allowed to live unmolested as long as they abstained from political activity, but they have always been viewed with grave suspicion and, on the whole, excluded from the privileges of citizenship. During the past year, as the dearth of technicians and scientists became one of the most obvious and disastrous weaknesses in the industrial situation, there has been a disposition to treat these unfortunate people with greater consideration. With the Ramsin trial as a precedent, the penalties inflicted upon such of them as were convicted of counter-revolutionary activity have been lenient. In many cases they have been released from prison to work under police surveillance in various departments of State industry, and in one striking case five of these probationary convicts were awarded prizes varying from \$500 to \$5,000 for conscientious work.

Nevertheless, Stalin's statement is a complete change of front on the part of the government, tantamount to a charter of civil liberty to a semi-outlawed class. If applied in a thoroughgoing manner, it will restore these

natural leaders to their proper place in the economic life of the country. The significance of such a change of status to the happiness of the people immediately affected is too obvious to require comment. From a broader social viewpoint, it is equally significant as reinforcing the spirit of individualism which is the keynote of the other phases of Stalin's new program.

The reasons given by Stalin in defense of his proposal to restore the intelligentsia to good social standing are illuminating. This class, he says, is no longer a danger to the Socialist State because of the triumph of the government's policy in agriculture. The centre of political gravity in the Soviet Union is in the peasant population. As long as the average peasant was in a state of passive resistance to the government's policy, and the kulak existed as a constant menace of active revolt, the bourgeois element of the city population was under continuous temptation to foment rebellion. But now that the kulak class has been wiped out and the peasantry in general are accepting the collectivist organization with enthusiasm, the bases of the State have become so stable that a disaffected minority in the cities cannot hope to stir up trouble.

In accepting this portrayal of the situation, allowance must be made, of course, for the desire of a political dictator to exaggerate the popular support of his program; yet the available evidence lends support to Stalin's statement. To all outward appearance the Soviet régime has never been more firmly entrenched than at present. There is no evidence of popular unrest anywhere throughout the country, and the government has quite recently shown its confidence in its ability to control the country districts by issuing a decree relaxing the rigor of its policy toward the kulaks and promising to restore this proscribed class to full civil rights at the end of a brief period of time. In abolishing



the discriminations against the intelligentsia, Stalin may have been moved principally by the country's urgent need for the services of this important group; yet the policy undoubtedly reflects the feeling of security of which he speaks.

It is probably unsafe to interpret these new policies as an intentional surrender of Communist objectives. It is nearer the truth to view them as an acknowledgment of the serious difficulties under which the Five-Year Program, in its industrial branches, has been laboring since the beginning of the year. When the statistical evidence alone is considered, the industrial program appears to be making fairly steady progress. Thus the official figures for the month of June show that production in the heavy industries increased nearly 10 per cent, as compared with May; machine construction increased 14 per cent; building materials, 16 per cent; the rubber industry, 26 per cent; the structural wood industry, 39 per cent. As compared with June, 1930, certain branches of industry have made still more striking advances, the heavy industries having increased production during the year by 28 per cent, the machine-making industries by 45 per cent, rubber 97 per cent, chemical products 23 per cent and oil 26 per cent. Steel and coal production, on the other hand, have made virtually no progress, and the entire transportation system is falling far behind the requirements of the control figures.

Underlying these cases of failure, and concealed in the apparently satisfactory figures of the successful industries, is a serious condition in the labor market, which threatens to undermine the entire industrial program. In the first place, there is an alarming shortage of labor, especially in the higher skilled groups, but also among ordinary manual workers and machine operatives. The government has been making drastic attempts to increase the supply of labor. It has tried to

draft women from the homes; it has registered the male workers and decreed that the unemployed must accept any jobs offered, on pain of losing their right to food rations; it has employed the collective farm organization to drive the redundant population out of the villages into the industrial centres. These devices, however, have been only partially successful, and their results have continued to lag behind the predictions of the Five-Year Program.

It is in this regard chiefly that the figures given for the apparently successful industries are misleading. The gain in output has not been accompanied by a proportionate decline of labor cost; and we read in the official press that it frequently requires two or three men to do the work of one. The bearing of this condition upon the apparent absolute dearth of labor is obvious. Here, too, the government has done what it could to solve the problem. It has tried to arouse the loyalty and patriotism of the worker by promoting a war psychology; it has stimulated his competitive impulses through the devices of factory competitions and "shock brigades"; it has played upon his pride by awarding medals and other forms of public recognition, all well advertised, to the most industrious workmen, and recently it has appealed to his cupidity by establishing a system of large money prizes to be distributed among the most efficient individuals in the various factories. Nevertheless, labor costs have not fallen as required by the control figures.

Moreover, as a special aspect of labor inefficiency, the government has had to fight against the tendency of the workers to drift about from one job to another. Labor turnover has been inordinately high, despite the efforts of the government to prevent it by increasingly rigorous measures. This factor is especially serious in a country which has no reserve of skilled industrial labor to draw upon and which is undertaking nevertheless

a rapid expansion of its industrial establishment.

Though proposed as expedients to remove practical economic difficulties, Stalin's program is not without broad social significance. It illustrates the dominance of opportunism over doctrinaire principles, which is so characteristic of his leadership. Against the prime need for increased business efficiency the ultimate aims of Communist theory seem remote and ineffec-

tive. The party and its leaders may continue to avow their allegiance to these articles of faith, but the daily experiences of the people at large are, after all, to be shaped by forces which differ very little from those prevailing in capitalist countries, and their responses are to be governed by similar motives of individual self-interest. These conditions cannot fail to have an influence upon popular attitudes and outlooks.

## Turkey's Relations With Iraq

**F**EISAL, King of Iraq, visited Mustafa Kemal, President of Turkey, from July 6 to 9, after

By ALBERT HOWE LYBYER

*Professor of History,  
University of Illinois;  
Current History Associate*

which he remained in Istanbul until July 14. The King decided some time ago to travel on his annual journey to Western Europe by way of Turkey. When this became known, the President invited him to spend three days at Ankara as guest of the government. Rustem Haider Bey, Minister of Finance, accompanied King Feisal, and General Nuri, Prime Minister, returned from Geneva to take part in the visit. A full program of festivities was carried out, but much attention was paid to political and economic questions. It is believed that the details about the disposition of the oil of Mosul were adjusted. In the treaty between the two countries concluded in the Summer of 1926 the Government of Iraq undertook to pay Turkey during twenty-five years 10 per cent of all royalties paid by the international group which holds the lease to the oil fields of Mosul. Another question of importance was the friction which appears from time to time along the common frontier. A treaty of commerce was also discussed, and is expected to be completed soon.

The Grand National Assembly of Turkey passed a drastic press law on

July 25, immediately before adjourning for the Summer. Among its provisions are the following: The owners

of journals and periodicals must be Turkish citizens, at least 25 years old, not State officials, who possess secondary educational training; the names of contributors must always be revealed to the authorities; members of the former imperial family and other exiles are not permitted to have any writings printed; accounts of murders must be related briefly and wholly without photographs; no Communist articles may be inserted; the Cabinet may suspend any newspaper which in its opinion hinders the policy of the government. These provisions follow a violent war between Turkish journals in Istanbul. The editors attacked each other bitterly, one group condemning the government while the other defended it. The Premier was not overlooked, and a few references were made to the President.

Two days before it closed the Assembly ratified a new treaty of commerce and residence with the Soviet Union. All Turkish goods that may be imported henceforth into Russia must be sent through a Soviet commercial delegate residing at Ankara who agrees to buy for his government Turkish produce amounting to



\$7,500,000 a year, thus doubling the present Turkish exports to Russia. The Soviet representative will possess diplomatic immunity. Minor Russian officials will reside at Istanbul, Trabzon, Mersin, Erzerum, Konya, Eskishehr and at other places by permission of the Turkish Government.

The shipping which passes through the Bosphorus on its way to and from Russia is increasing to something like the pre-war figures; 5,120,000 tons were exported during the first half of 1931. Of this 1,300,000 tons represented grain, 2,100,000 tons petroleum products, 500,000 tons coal and manganese and 180,000 tons sugar. The increase over the corresponding period of 1930 was more than 20 per cent, consisting largely of grain and sugar. Many ships have been chartered to carry a much larger quantity of exports during the second half of 1931, mostly at very low rates. Ships bound for Europe ordinarily do not stop in the Bosphorus, but northward-bound ships regularly spend a day or two at Istanbul awaiting orders.

Mustafa Kemal arrived in Istanbul on July 26, there to pass the remainder of the Summer, according to his annual custom. The National Assembly will resume its regular sitting in November, but until that time Is-

tanbul may be said to be the seat of the Turkish Government, with Ministers and diplomats arriving daily from Ankara, where the heat is extreme at this time of year. In Istanbul the President lives in the palace of Dolma-Bagheche, formerly owned by the Sultans but now national property.

The new budget reduces military expenditures by \$4,500,000 but increases naval expenditures by \$1,000,000. Within a short time 9 vessels constructed in Italy will be delivered—4 torpedo boat destroyers, 2 submarines and 3 gunboats.

#### EGYPTIAN COTTON SALES TO RUSSIA

Following the purchase early in June of 25,600 bales of cotton from the Egyptian Government, the Soviet Government purchased in the middle of July a larger amount. The Egyptians stipulated that the entire amount purchased by the Russians must be shipped directly to Russia and may in no circumstances be re-exported. In some quarters it is believed that the Russians are glad to be able to buy cotton elsewhere than from the United States, which refuses to recognize them and which holds them to severe credit conditions. The Egyptian Government will replace this cotton with cotton it holds as



THE NEAR AND MIDDLE EAST

pledges for loans to producers, thus evading a promise not to sell any part of the cotton before October.

A pistol shot at the President of the Chamber of Deputies, a bomb explosion on the grounds of the Ministry of Justice and another bomb explosion at the house of the Vice President of the Chamber, between July 8 and 27, were believed to be due to agents of the Wafd party.

It appears that Nahas Pasha, leader of the Wafd party, about the time of his resignation from office a year ago, removed from the archives all official documents which had relation to the negotiations with Great Britain in the Spring of 1930. The government has determined upon severe laws directed against the spread of communism or of the new Labor party.

#### THE RIVAL PATRIARCHS OF ANTIOCH

A prolonged crisis in the affairs of the Patriarchate of Antioch was succeeded by a double election and a new phase of the quarrel between opposing factions. The source of the trouble goes back, at least, to Feb. 18, 1898, when a meeting of Bishops drew up a patriarchal statute, according to which in electing a patriarch, besides the ecclesiastical votes, ten votes should be given to laymen, of which one should go to a man from Antioch and nine to men from Damascus. This provision has been felt ever since to give a disproportionate weight to Orthodox church members residing in Damascus. They are held to have dominated the patriarchs successively. Various attempts have been made from time to time to change the statute, but were regularly defeated by Patriarchs elected under its provisions.

On Nov. 29, 1928, the Patriarch Gregory IV died. On the same day the Bishops elected as *locum tenens* Arsenios, Bishop of Latakia. The Bishops decided to hold a number of meetings with a view to revising the statute. On June 5, 1929, they ap-

pointed a committee to prepare revised articles, and another committee to visit Damascus in the hope of persuading the people there to yield their undue privileges. On Sept. 25 a congress was held at Damascus, at which time the Damascanes refused to accept reduction of privileges. On Feb. 9, 1930, a number of the Bishops met and agreed upon the limitation of nominating and voting to the Bishops alone. This decision was communicated to the High Commissioner, who stated that he saw no objection.

On Jan. 20, 1931, seven of the ten Bishops met at the Convent of St. George and four days later chose the Bishop Arsenios "Patriarch of Antioch and of All the East." Three days later they were surprised to learn that the absent Bishops of Tyre and Sidon, Baalbek and Tripoli had met and elected the third enumerated Bishop, by name Alexandros, as rival Patriarch. The ecumenical Patriarch at Athens sent as representative Chrysanthos, Bishop of Trebizond, to arbitrate the difficulty. On March 19, this representative sent word to the Patriarch Arsenios requesting him to sign a letter in which he would admit his incapacity to conduct the patriarchal affairs and in which he agreed to resign after the end of one year.

Bishop Chrysanthos departed on April 17 and at the same time telegrams arrived from the Patriarchs at Constantinople, Alexandria and Jerusalem, recognizing Bishop Alexandros as Patriarch of Antioch. It was not admitted, however, by Patriarch Arsenios and his party, that the other three Patriarchs possessed a right to choose the Patriarch of Antioch.

#### SOKOLOV ELECTED ZIONIST LEADER

The seventeenth Zionist Congress, which met at Basle on June 30, and whose discussions during the first week were outlined in the August number of CURRENT HISTORY, remained in session until July 15, in



the effort to reconcile as many of the delegates as possible to a moderate attitude. Nahum Sokolow was elected to replace Dr. Chaim Weizmann as President of the World Zionist Organization by 188 votes to 48. Since, as is well known, the views of the new President resemble closely those of his predecessor, no marked change of policy is to be expected, and the British Mandatory Government can continue along substantially the path already marked out. After much debate the political committee of the Congress declared Prime Minister MacDonald's letter to be "the basis for further negotiations between the Jewish Agency and the Mandatory Government with a view to the effective implementing of the assurances in the letter." In the last two days the Congress adopted this resolution and elected the new President. A coalition executive group was also elected.

The Council of the Jewish Agency for Palestine also elected Mr. Sokolow as its President. During its four days of meeting the council discussed a number of practical matters as well as principles of action. In spite of the heavy deficit, it was pointed out that the agency controls net assets of at least \$4,000,000. It was resolved to make a vigorous effort to stabilize the financial situation by raising \$1,000,000 during the coming year. Protests were drawn up to be presented to the British Administration against the difficulties placed in the way of Jewish land purchases, Jewish immigration and the employment of Jewish labor on public works. The council directed the executive, which consists of five persons elected by the Congress and five elected by the council, to work "for the establishment under the mandate of harmonious relations between the Jews and Arabs, based on the acceptance by both parties of the principle that neither is to dominate or be dominated."

After the election of Mr. Sokolow, the Revisionists became divided, part

of them inclining to remain with the majority and others disposed to secede. Their leader, Vladimir Jabotinsky, resigned his position for six months. At the end of that time it is expected that a Revisionist Congress will be held. The Seventeenth Congress very carefully avoided any agreement with the Revisionist demand that aim be taken at a Jewish majority on both sides of the River Jordan and at the creation of a Jewish State in Palestine. Obviously any official declaration of that kind would have greatly inflamed the feeling of the Arabs in Palestine and materially increased the already serious difficulties of the Zionists there.

The British Government announced on July 19 that Lewis French had been appointed director of the Palestine development scheme. The proposed loan of \$12,500,000 is expected to be sufficient to settle about 10,000 families. In general the plan is to provide first for Arabs who have been dispossessed as a result of land acquisition by the Jews and who have not hitherto obtained other land. Afterward both Jews and Arabs will be settled in as just proportions as possible. The first reaction of both Arabs and Jews to this plan was unfavorable. The Arabs regarded it as a temporary provision which would help matters for only a year or two. The Jews declared that the plan was distinctly in favor of the Arabs.

The Arabs claim that all landless persons of their group should be settled, not merely those displaced by Jews. Furthermore, it is not proposed to transfer Arabs from the crowded hill country to the comparatively empty coastal plain. The Jews claim that article 6 of the Mandate, which provides for the close settlement of Jews upon State and waste land, continues to be ignored. The scheme provides for an Arab and a Jewish adviser to assist the director.

Announcement was made by the Colonial Office in London on July 14

that the King had accepted the resignation of Sir John Robert Chancellor as High Commissioner and Commander-in-Chief for Palestine and High Commissioner for Transjordan. His service will terminate on Nov. 1 and he will be succeeded by Lieut. Gen. Arthur Grenfell Wauchope, at present General Officer commanding the Northern Ireland district. The new High Commissioner served in the Boer War and the World War. From 1924 to 1927 he was in Berlin as chief of the British section of the interallied Military Commission of Control. He has held his present position since 1929.

The plague of locusts which damaged a great part of the Near East last year has reappeared in Transjordan. In the southern portion of the country three-quarters of the vegetation is believed to have been destroyed. Many farmers have lost their entire crops of corn and millet.

Arab agitation occurred early in August as a result of the Palestine Government's supplying outlying Jewish settlements with sealed armories for defense. On Aug. 5 the government commanded immediate cessation

of the agitation, stating that the installation of the armories was "a proper measure," and that it had "no intention of altering the policy." The press was warned against further criticism, and the Arab newspapers decided to suspend publication for seven days as a protest.

#### *A CONSTITUTION FOR ABYSSINIA*

Emperor Haile Selassie in a brilliant ceremony at his palace at Addis Abeba on July 16 surprised the notables of his kingdom, the foreign diplomats and other foreigners by announcing and producing a Constitution. Henceforth Abyssinia will have a "legislative body of two chambers, the members of which will be designated by provinces, subject to our consent. Abyssinia must remain united like a single family and will be governed by the Emperor in conformity with the Constitution." Responsible ministers will be appointed to execute such measures as are agreed upon between the Chambers and the Emperor. Legislation is to be "inspired by scientific principles."

## China's Fight Against Communism

**B** ESET by bandits, Communists, revolting Generals and unfriendly regional factions and

by apprehensions of Japanese manoeuvres in Manchuria, the Chinese Government weathered another severe attack in North Central China, dispersed the Communists in Kiangsi Province and appeared to be more feared by the new Cantonese régime than in danger from it. Floods in the Yangtse Valley and cowardly tactics of assassination squads added to the government's difficulties.

In mid-July, apparently heartened

*By HAROLD S. QUIGLEY  
Professor of Political Science,  
University of Minnesota;  
Current History Associate*

beyond the point of due caution by the incitements and subsidies of Canton and the engagements of Generalissimo

Chiang Kai-shek in Kiangsi, where he was breaking up a large Communist army, the "gray" or opportunist General Shih Yu-san raised the standard of revolt in Northern Honan and Southern Hopi (formerly Chihli) Province. His move appeared suicidal since he was operating between vastly superior forces, those of Nanking on the south and of Chang Hsueh-liang, the Manchurian Vice Commander, on the north. Viewed as a gesture to as-



sist Canton by keeping Nanking in a state of anxiety in the north, Shih's sacrifice play had some meaning.

Martial law was set up in Peiping and Teintsin and for a fortnight Shih's threat retained an appearance of reality as his troops advanced north along the Peiping-Hankow Railway and captured Paotingfu, about 100 miles from Peiping, held at present by Chang Hsueh-liang. There was fear that General Han Fu-chu, holding Shantung Province and previously loyal to Nanking, might be bought over but he remained attached to the government. Neither General Sun Tien-ying, another "gray" leader, nor Marshal Feng Yu-hsiang took up arms to support Shih, who was reported on Aug. 3 to be wedged in between Nanking forces advancing from Chengchow and the Manchurian troops of Chang Hsueh-liang.

The Canton Government issued a "punitive mandate" against Chiang Kai-shek and on July 27 Cantonese forces were reported in an invasion of Hunan. Hostilities between Nanking and Canton had not been initiated as this article went to press. Grave fears were felt in Canton when 5,000 Nanking troops appeared in Northern Kwangtung under Chen Ming-shu, the former Military Governor of the province, but these forces were withdrawn northward within a few days.

The National forces under President Chiang Kai-shek were reported in sweeping successes over the Kiangsi Communists and predictions were made in Nanking official circles that Kiangsi would be cleared within six or eight weeks. However, since the Communist forces were retreating rather than fighting, the Province of Fukien, east of Kiangsi, appeared to be due to take the brunt of the consequences of Chiang's campaign. An advantage was seen by the government in that Kiangsi might be regarded as a zone of Kuomintang territory separating the Communists in Hunan and Hupeh from their confederates in Eastern China.

T. V. Soong, Nanking's brilliant young Minister of Finance, issued a searching analysis of the general situation of communism in the country. He declared that the present campaign in Kiangsi was only a prelude to a life-and-death struggle between the Chinese social and economic system and the system of communism backed by the intensive efforts of the Third International. Documents seized in Kiangsi revealed the subdivision of much of Kiangsi and parts of Hunan and Hupeh into areas of Soviet rule. They further exhibited the eight rules for agrarian revolution which Chinese Communists have been enforcing: (1) Overthrow of the old gentry rule or squirearchy and the arming of the peasants; (2) confiscation of gentry lands and distribution of lands among the peasants; (3) distribution of temple and other public properties; (4) reservation of part of the confiscated lands for the soldiers; (5) the voiding of notes and mortgages and the burning of title deeds; (6) establishment of the single tax; (7) farm reconstruction and irrigation; (8) establishment of farmers' banks and co-operative societies. Soong further stated that the Chinese Communist Central Military Council was in control of 300,000 trained troops which were supported by auxiliary militia units and organizations of women, youths and children. He offered the opinion that the government's most important task was that of removing the conditions making for communism, which is the direct result of the "miserable economic conditions driving famished and exploited humanity to despair."

Soong narrowly escaped assassination upon his arrival at Shanghai from Nanking on July 23. His assailants fired upon him in the North Station but failed to wound him, though his secretary, Y. L. Tang, graduate of Yale in 1920, was badly wounded and died shortly after the attack. The assassins escaped. A week later at Nanchang, Kiangsi, President Chiang

was fired upon while driving in a park. Reports stated that three men who were arrested confessed to their having been sent from Canton to kill the President.

Eugene Chen, Canton's Foreign Minister, arrived in Japan on July 22. Nanking understood that he was seeking recognition and financial and military assistance from Japan in exchange for definite political and economic concessions. The Japanese Foreign Office consented to receive him informally. Japan's policy was stated in Tokyo to be opposed to the sale of munitions of war to any other than the recognized government at Nanking.

Canton restored *likin*, the transit tax abolished by Nanking, on July 16.

Dr. Francis Tucker, American missionary physician, was arrested and jailed by Chinese authorities on a charge of murder. Dr. Tucker killed a Chinese janitor of the mission hospital (American Board Mission) at Tehchow, Shantung. He caught the man entering his office in the early morning and shot him in the belief that he was a robber. Dr. Tucker was placed in confinement at Tsinan, capital of Shantung. The State Department instructed the American Minister at Peiping to investigate the case and to see that the extraterritorial rights of the accused were recognized. The press of Peiping printed articles unfavorable to Dr. Tucker.

The budget of the Chinese Government for the fiscal year July 1, 1931-June 30, 1932, contained revenue estimates of \$500,000,000 (Mex.), equal to \$125,000,000 gold, and estimated expenditures at \$600,000,000, thus anticipating a deficit of \$100,000,000 Mex. Estimates for military expenditures were 87.5 per cent of the total. The loss of revenue to the new Canton régime was responsible for the failure to anticipate a balanced budget. The official opium sales bureaus recently established with the hope of controlling and eventually terminating the opium traffic were

abolished on the score of inefficiency. The creation of a government monopoly on a more effective basis was under consideration.

The most disastrous floods known to Central China for fifty years were inundating Yangtse cities and the adjacent countryside, destroying thousands of people and large crops of rice and other grain. Prices were rising and a famine was apprehended. The area under flood waters has a population of 200,000,000. Floods also occurred along the Yellow River, the Grand Canal and in the Canton delta.

#### ANTI-CHINESE RIOTS IN KOREA

Shanghai went into mourning on July 22 as a mark of grief and resentment over the killing of a hundred Chinese by Korean mobs during July. Although outwardly evidence was lacking of any incitement to violence, it was openly charged that Japanese influences had been at work to stir up the ordinarily law-abiding Koreans.

The migrations of Koreans into Manchuria, which have been frequent since Japan took over the peninsula, have resulted in several minor clashes between Chinese and Koreans in Manchuria, usually over land leases, which Japanese subjects are qualified to hold under one of the provisions of the "Twenty-One Demands" of 1915. On July 2 Chinese police and civilians interfered with the work of Koreans who were engaged in digging an irrigation ditch to a piece of land which they had leased from a Chinese syndicate at Wangpaoshan, near Changchun. Japanese police were sent from Changchun and there occurred some firing on both sides but without casualties. When the news of the affair reached Seoul, the Korean capital, mob action against Chinese residents occurred in Chemulpo, Seoul, Heijo and other places. Strangely enough the stern Japanese police organization failed to function promptly, with the result that the mobs had killed a hundred Chinese before the riots were quelled. Korea was at the



time without a resident Governor General or Vice Governor, since Viscount Saito and Count Kedama had resigned and the new officials, Governor General Ugaki, former Minister of War and recognized leader of the Japanese military clique, and Mr. Imaida, new Vice Governor, had not taken up their duties in Korea.

In this connection attention was drawn by the *China Critic*, in its issue of June 11, 1931, to a so-called "independence movement" among the Japanese residents of Manchuria. That newspaper stated that a meeting was held in Mukden on May 26, attended by 1,500 Japanese from several Manchurian localities, at which a movement was launched to accomplish three objects: (1) The organization of all Japanese in Manchuria into a single society; (2) the protection of Japanese rights and privileges in Manchuria; (3) the direction of Japan's policy in Manchuria. At the meeting, said the *China Critic*, Japan's conciliatory attitude toward China was denounced and criticism was voiced of Chinese measures designed to regain complete control of the northeastern provinces. The *China Critic* saw in the meeting and the organization there projected a forecast of new measures designed to provoke an open conflict between Chinese and Japanese in Manchuria.

The Japanese Government expressed regret for the destruction of Chinese life and property in Korea and promised to investigate the case, punish guilty persons and provide relief for the families of victims. It declined to take responsibility or to pay indemnities to China. It demanded satisfaction from the Chinese authorities at Mukden for the losses sustained by Koreans at Wangpaoshan. Dr. Wang, Chinese Foreign Minister, was bitterly criticized for alleged weakness in dealing with Japan over the Korean riots.

The Shanghai Chamber of Commerce on July 13, in resentment of the killing of Chinese, voted to as-

sume leadership in organizing a general boycott against Japanese goods. A similar project was launched by the Associated Chambers of Commerce of Hopei Province. There was general apprehension of a serious boycott.

Sino-Japanese ill-feeling resulting from these new incidents was further excited by a circular telegram issued by General Chiang Kai-shek in which he charged that the Korean riots were instigated to coincide with the rebellion of Shih Yu-san and that General Shih had as his advisers officers of a "certain imperialistic country." Finance Minister Soong pointed out that the Canton Government had prohibited the Canton Chamber of Commerce and other public organizations from commenting on the killing of Chinese in Korea.

A fantastic allegation emanated from Canton to the effect that General Chiang Kai-shek had invited his enemies there and in other provinces to unite under his command in a war against Japan, seeking to use such a scheme as a means of unifying the nation. The Nanking Government branded the report as absurd and as designed to discredit it before the world.

#### JAPANESE CENSUS RETURNS

Japanese census figures were released following the census of Oct. 1, 1930. They give Japan proper a population of 64,450,005, a gain of 4,713,183, or 7.9 per cent over the figures for 1925. Thus the annual rate of increase has not diminished but increased, and is now 15.3 per thousand as compared with the former rate of 13.14 per thousand. The most populous city according to the 1930 figures, was Osaka, with 2,453,573 inhabitants. Tokyo was second with 2,070,913, Nagoya third with 907,404, Kobe fourth with 787,616, Kyoto fifth with 765,142 and Yokohama sixth with 620,306. In general the growth of city populations was greater than that of the rural areas.

# TO AND FROM OUR READERS

[The Editor invites comments, within 100 words, on articles which appear in the magazine. Anonymous communications will be disregarded, but the names of correspondents will be withheld from publication upon request. The Editor assumes no responsibility for unsolicited manuscripts unless accompanied by return postage.]

**A**LDINE R. BIRD, author of "Motors' Challenge to the Railroads," in the May issue of *CURRENT HISTORY*, has received the following letters from railroad executives:

My Dear Mr. Bird:

I have read your article in the May edition of *CURRENT HISTORY*, entitled "Motors' Challenge to the Railroads," with much interest and appreciate the point of view which you very forcefully present. In line with your discussion it is interesting to note that a number of State Legislatures have passed legislation regulating motor vehicles. Bills are pending in other Legislatures not yet adjourned. Perhaps with the encouragement of such action on the part of the States, Congress at its next session may conclude to clothe the Interstate Commerce Commission with regulatory powers over such transportation agencies.

Your article is quite timely. It is not often that the legal as well as the economic phases of the subject are covered in such brief compass as you have succeeded in doing in this article.

R. H. ASHTON.

Chairman, Executive Committee, Association of  
Railway Executives, Washington, D. C.

My Dear Mr. Bird:

I have read your article, entitled "Motors' Challenge to the Railroads," with a great deal of interest and want to tell you that I think it is a very valuable contribution to the subject of motor competition with the railroads. Let me congratulate you on the product of your labors, which are evident from the information you display and the defense you set forth.

I brought your article to the attention of Mr. J. J. Cornwell, our General Counsel, who is very well informed on such matters and he told me he had already read your article with deep interest and I am simply voicing his compliments when I repeat that you have made a valuable contribution to the subject on behalf of the railroads.

F. X. MULLOHLAND,  
Assistant to Senior Vice President, Baltimore &  
Ohio Railroad, Baltimore, Md.

\* \* \*

## RESPONSIBILITY FOR THE WAR

To the Editor of *Current History*:

Concerning Professor Oncken's plea for treaty revision, in your August number, it seems to me, as a former college professor of history and political science, that Professor Oncken, the historian, assumes the rôle of a propagandist. He places the major responsibility for the war of 1870-71 on the policy of Napoleon III during the period from 1866 to 1870, which, he claims, prevented the union of the North German States with those of the south. In other words, according to Professor Oncken, the North Germans were driven to attack France because the latter would not allow the unification of North and South Germany. As an explanation of the chief cause of the war of 1870-71, I question its soundness. Professor Oncken disregards the historical fact that the unification of Germany centred around Prussia and Bismarck and did not result from any thwarted

urge for combination on the part of the North and South German States. It was Austria, and not France (or Napoleon III), that stood in the way of Bismarck's policy of political unification of Germany. Furthermore, the South German States took sides with Austria, for at first they were not disposed to accept a combination with the North German States, under Prussian leadership. This opposition was generally shared in by the Princes, as well as by their people. As a matter of fact, it was mainly by virtue of Bismarck's "diplomacy," which included the negotiations of secret treaties of defensive alliance with the South German States, along with his arousing in the latter a fear of French aggression, that the urge for unification with North Germany was stimulated and finally brought to a climax by Bismarck's provoking an armed conflict with France. The success of this conflict assured the unification of the German States. Throughout the article, Professor Oncken seems to disregard the part played by Bismarck. He does not even refer to him by name.

Concerning the responsibility for the World War (pp. 657-658), I should like to put one question and make one comment. If Germany, at any time during the period from 1870 through Aug. 4, 1914, was not controlled by the Prussian militarists, and in their interests, then by whom, and in whose interests, was it controlled? The fact that in that same period every European nation comes in for a share of the blame in the species of diplomacy *a la* Metternich does not alter, in any way, the record of Bismarck's policy, nor does it relieve the German General Staff from responsibility for thwarting the display of a conciliatory attitude by the German Foreign Office during the "twelve days" of 1914.

RENE W. PINTO, Ph. D.

Carnegie Endowment for International  
Peace, Washington, D. C.

\* \* \*

## A SAMOAN DEFENSE

To the Editor of *Current History*:

As one who was born and educated in New Zealand and has lately returned from a visit to Western Samoa, I protest against certain very misleading statements about the Samoans in Miss N. E. Coad's article in your June issue. Her statement that New Zealand regards the Samoans "in the spirit of the mandate as a sacred trust for civilization" is ludicrous, as shown, for example, by Newton Rowe's book, *Samoa Under the Sailing Gods*. Mr. Rowe speaks with authority, having



been for some years in the Samoan Administration. Moreover, Miss Coad herself admits that "from the earliest days of her history, New Zealand has hankered after these islands."

Miss Coad goes on to say that Samoans are very poor workers. But the New Zealand Government's own handbook on Western Samoa, published in 1925, says: "For his own ends the Samoan can work very hard indeed, and in emergencies he will work for the white man and earn good wages. But as Sir John Thurston, an early administrator, said: 'No Polynesian will ever work according to our ideas of work. He does not consider it the most important thing in life.'"

The New Zealand Administration tends to destroy the ancient Samoan communal system, which is so well suited to the islanders and which it is proposed to have America protect in Eastern Samoa. The Samoans can see nothing but unhappiness in individualizing their lands and eventually becoming mere industrial laborers for the white man. At present they have no poverty and no need of institutions for social problems. Can New Zealand say the same?

Miss Coad's argument that the Permanent Mandates Commission of the League of Nations found that ex-Administrator General Richardson had "erred on the side of leniency," is effectively silenced in Newton Rowe's pages. The commission was not unanimous, and the Samoan representative has always been denied a hearing at Geneva. Even the members signing the majority report were apparently anxious to dissociate themselves later from its findings.

In connection with the slaying by the military police of the Samoan High Chief Tamasese, Miss Coad says: "The trouble centred mainly in the arrest of twenty men who were wanted for criminal offenses. These were protected by the Mau, who refused to give them up." The Mau have always handed over any of their number who were wanted for criminal offenses, but these twenty men were wanted for non-payment of taxes, which they had refused to pay until New Zealand discussed their grievances with them. In contradiction of Miss Coad's statement that the police were unarmed, Newton Rowe and two European eyewitnesses agree that the rifle fire could have come only from the police, as the natives were completely unarmed, and picked up stones and missiles only after the rifle fire. The one policeman killed was said to have been knocked down while reloading his revolver. When Tamasese heard the shots, he begged his people to keep the peace, but was shot down as he spoke. Before he died he exacted an oath of peace from his followers, and it is this that is holding the people in check now, and not the military power of New Zealand.

Miss Coad concludes: "Under the conciliatory tactics of the administration, the trouble soon died down." The methods of conciliation were those of war upon an unarmed people, who fled to escape imprisonment and banishment; and the trouble has not died down but still exists.

Pittsburgh, Pa.

G. E. WILLS.

## A READER'S PRAISE

To the Editor of Current History:

After reading the July number of CURRENT HISTORY, I am convinced that it is America's greatest monthly magazine. Russia now rightly occupies the spotlight of the world's news; hence your series of three articles, of which Maxim Litvinov's is surely a masterpiece.

J. WILLIS JEFFERIS.

Philadelphia, Pa.

## "TEXAS: AN EMPIRE STATE"

To the Editor of Current History:

Is Ruel McDaniel, the author of *Texas: An Empire State*, in the July issue of your very often most excellent publication, a Texas real estate agent, or is he a poet occasionally writing prose? It is not my fortune or my misfortune, whichever

may be the case, to be a native or a resident of the great Lone Star Commonwealth, nor yet to have traveled within its widely extended borders; but the more I learn of its history, its people, its diversified climate, natural resources and marvelous magnitude the greater is its impression upon me. McDaniel says: "Dahart, Texas, is nearer the Canadian border than it is to Brownsville, Texas's southernmost city." My *Encyclopedic Atlas and Gazetteer of the World* of the vintage of 1912 shows that as the crow flies the Canadian border at that time was approximately 125 miles further from Dahart than Dalhart was from Brownsville.

However, the article was interesting and entertaining.

R. K. GARFIELD.

El Dorado, Ark.

## PROFESSOR LINGELBACH

To the Editor of Current History:

It is a matter for congratulation to an already highly esteemed journal that its prestige is enhanced still further by the addition of so able a scholar as Professor William E. Lingelbach to the Board of Associates. The publication in the June issue of the timely and scholarly article by Dr. Lingelbach is an indication of the kind of contribution which historians have been led to expect from the pen of this distinguished scholar.

J. P. BOYD.

Editor, Wyoming Historical and Geological Society, Wilkes-Barre, Pa.

## DRUNKENNESS IN NEW YORK

To the Editor of Current History:

Your magazine recently printed records showing that in Stockholm under the Bratt System the arrests for drunkenness were 182 per population of 100,000; in Toronto under government sale 88, and in Montreal 63, while in New York, perhaps the wettest city in the United States, the annual arrests per 100,000 population were only 18. Yet the papers of that great city are wet, crying out for the legal sale of alcohol poison to kill men. In the words of Dr. Charles E. Jefferson, "The worst piece of misrepresentation ever perpetrated upon a community by its public press is being carried on by the daily newspapers of New York City." I am glad that the moral patriots of New York are endeavoring to start a daily paper that will tell us the truth concerning prohibition.

There is only one way by which I can explain the moral blindness of our city press. The business managers hope some day—it will never come—that they will receive huge sums for carrying advertisements of ale, whisky and gin as do the Canadian papers. In Ontario crimes against women have increased 76 per cent in four years. Who would want such blood money? WILLIAM LOUIS SAHLER.

Freehold, N. J.

## UKRAINIANS IN POLAND

To the Editor of Current History:

In recent issues of CURRENT HISTORY considerable prominence has been given to the situation of the Ukrainians in Poland. None of the authors of the letters published have dwelt upon the causes which have forced the Polish Government to take special measures for the purpose of restoring order in the disturbed provinces of Lwow, Stanislawow, and Tarnopol. The unrest which existed in these provinces from July to October, 1930, was due to a well-planned campaign of terrorists, whose aims were stated in a communique of the organization in the *Ukraina*, a Ukrainian newspaper published in Chicago, on Oct. 7, 1930, as follows:

"This organized attempt is intended to foster unrest among the Ukrainians and panic among the Polish population; to check the expansion of the Poles; to sow among them doubts as to their ability to protect government authorities from Ukrainian attacks; to influence the Ukrainian masses against the Polish State and the Polish nation; finally, by causing unrest and anarchy, to foster abroad the notion of instability of Polish frontiers and lack of internal consolidation in Poland."

The campaign as planned by the terrorist or-

ganization was successful. During the five months 191 attempts against property were made, and the damage so far declared by the owners amounts to 3,500,000 zlotys. All the destroyed property belonged to Poles, although in several cases the property of Jewish landowners was also destroyed. Faced with a situation of this kind, the government sent into the affected districts four squadrons of a local cavalry regiment, which, with the local police force, were instructed to suppress the activities of the terrorists and to bring the perpetrators to justice. The operations were local and involved 117 out of a total of 3,757 communities in the three provinces. In eight communities out of 117 visited by the authorities irregularities have been reported. The strictest investigation has been ordered by the government with a view to punishing officials who, exceeding their instructions, committed abuses on those suspected of participation in the sabotage campaign. Several of the police found guilty of abuses were immediately dismissed from the force and proceedings were instituted against them.

Poland has persistently followed a policy of toleration toward Ukrainian national institutions. The measures taken by the authorities in October, 1930, were taken only for the purpose of suppressing the wanton activities of Ukrainian terrorists, and had no bearing whatever on the well-established policy of aiding legitimate Ukrainian aims. This is shown by the tremendous growth of Ukrainian cultural societies under Polish regime. Thus the number of branches and libraries of the *Proswita* increased from 1,601 in 1924 to over 3,000 in 1929; and of the Association of Ukrainian Co-operatives from 833 in 1921 to 2,746 in 1929. The third important Ukrainian organization in Poland, the *Sliskij Hospodar*, had 74 branches, 540 groups and 18,500 members in 1923, while in 1929 it had 85 branches, 1,150 groups and 30,000 members.

The Ukrainian situation in Poland is not alarming. The activities of the terrorists have been suppressed, and the Ukrainian population will be able to continue to live in peace and to devote its efforts to the development of its lawful, national and cultural institutions.

ALBERT M. NAWENCH.

Polish Telegraphic Agency, New York City.

\* \* \*

#### THE AMERICAN INDIAN

*To the Editor of Current History:*

With further reference to Secretary Wilbur's article on the American Indian, in your May issue, may I add that several years ago, with the consent of the Board of Indian Commissioners, I wrote to thirty of the leading scientists and publicists of this country suggesting that we define an Indian. A majority of these agreed with the proposal that we should include as Indians all persons of the American Red Race who were full bloods, half Indian and half white, and quarter breeds. Men and women in whose veins there was less than one-fourth quantum of Indian blood should be considered Whites. This would eliminate all the eighths, sixteenths and thirty-secondths who crowd our rolls. Most of such persons associate with white people and are not Indians.

A composite of the views of these scientists was published in the annual report of the Board of Indian Commissioners for the fiscal year ended June 30, 1928. By addressing the Board of Indian Commissioners, 3327 Interior Building, Washington, D.C., interested persons may secure a copy. The matter was referred to the Secretary of the Interior and the Indian Office. So far as I am aware no action has been taken. This important matter should be submitted for Congressional action next December.

WARREN K. MOOREHEAD.

Department of American Archaeology, Phillips Academy, Andover, Mass.

\* \* \*

#### NATIONAL ECONOMIC PLANNING

*To the Editor of Current History:*

In a great deal of the present discussion of our economic troubles, it is said that the greatest need of all is for economic planning on a national scale. Only in this way, we are told, can we prevent the ills of overproduction, unemployment and business depressions. But even if there should be a disposition to take any steps in this direction by a government that was prepared to reverse the policy of "keeping out of business," it would be impossible under our present Constitution. The first step would therefore have to be an amendment to the Constitution to enlarge the powers of

Congress. Probably no better method of raising the issue of a planned national economy could be found than in the launching of a campaign for such an amendment. The discussion would have great educational value, first, in challenging the wisdom of the government "keeping out of business," and, second, in seeking to discover how we could substitute economic planning for our present chaotic industrialism. As some one has said, we are a nation of "economic illiterates." Here is at least a chance to gain some understanding of the problems that most deeply affect our lives and happiness.

JOHN M. SIMPSON.

Newark, N. J.

\* \* \*

#### SURPLUS OF MEDIOCRITY

*To the Editor of Current History:*

Having carefully noted the startling figures presented by Mr. T. Swann Harding in the August *CURRENT HISTORY* under the caption of "Overproduction in the Professions," I wish to present a few words of criticism.

It seems certain that none of the learned professions are overcrowded today with competent, efficient and practical men. There is always room at the top of the professional ladder, and at the present time there is unquestionably much inviting space in that region, even though the lower and middle rounds of the ladder are crowded to the breaking point. It goes without saying that professional mediocrity is everywhere abundant, and in that sense there is "overproduction in the professions."

But there has been, in certain localities, at least, a very noticeable decline in professional honor. The once-controlling spirit of the Good Samaritan has given way to the spirit of avarice, social preference, and professional and political intrigue. This would not be the case if, as Mr. Harding says, "the professions were efficiently organized to protect public health rather than to protect the incomes of the practitioners themselves." In that damning fact lurks a monstrous menace to the sick and wounded, and no imposing array of figures can long divert the public attention from that indelible stain upon the once-altruistic medical profession.

J. W. LOCKHART.

St. John, Wash.

\* \* \*

#### THE NEW ZEALAND EARTHQUAKE

*To the Editor of Current History:*

In your March issue you said that the New Zealand earthquake had caused some 2,000 deaths. Actually the death roll for the whole of the affected area, which extended considerably beyond Napier and Hastings, was 261. Your April number, issued at a time when the facts surely must have been available to you, contains the following: "Napier and Hastings were so completely destroyed that it was proposed to abandon them. The terrain and even the harbors were altered almost beyond recognition." In fact, about 10 acres comprising the business block of Napier, and mostly built of brick or stone, were largely shaken down by the earthquake of Feb. 3, but were by no means completely destroyed by the earthquake. As in the San Francisco earthquake of 1906, the earth movements broke the water mains, and the destruction of the business block was caused by a fire which broke out after the earthquake.

Apart from the business area most of Napier and Hastings consists of wooden buildings which, except as to the brick chimneys, were not very seriously damaged. There were some slips on the Bluff Road leading to the port at Napier, but otherwise the configuration of the land there was unaffected. At Hastings the land itself was unaltered. Napier Harbor works were damaged, but the Harbor itself is again in full use and is much as before, so far as the shipping pool is concerned. At no time did it appear that Napier and Hastings would have to be abandoned—they were not in a condition anywhere approaching destruction except in parts of the business centres—and at the present time the whole of the population in each town is back to its full complement.

Parliament has now appropriated the sum of £1,250,000 for the purposes of restoration, and though this sum might not cover the whole of the loss, it is considered that it will nearly cover the material damage.

Nelson, N. Z.

HULLER CHEEK.

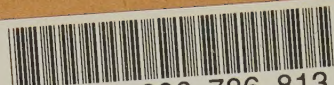












3 8198 306 786 813

THE UNIVERSITY OF ILLINOIS AT CHICAGO



